UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 41. Section 1. May 18, 1922.

The Supreme Court Decision

The New York Times to-day says in an editorial: "Lawyers have a saying that hard cases make bad law. The farmers certainly had a hard case in the world collapse of agricultural prices following the war, and their bloc secured the enactment of a bad law for their relief. The farmers thought that the produce exchanges and the banks were chiefly responsible for the farmers' troubles, and that legislation was the remedy. But the Supreme Court now decides that Congress may tax business on the exchanges for revenue, but not to regulate operations that are not of the nature of interstate commerce. The court, therefore, divides the Future Trading Act into valid and invalid portions. The valid portions are those taxing exchange dealings which are rather gamblers' methods than legitimate business. The farmers will complain, however, that the invalidation of part of the law deprives them of privileges which they sought on the exchanges. A tax was imposed for the purpose of compelling grain business to be done on exchanges under regulation by the Secretary of Agriculture. ... It is to be hoped that the farmers will not take the decision as proof that the courts as well as the banks and exchanges are plotters against their welfare. The banks went to the limit of prudence in agricultural credits. The produce exchanges certainly did not conduct their business with malice against the farmers. The farmers have now had experience of their new privileges in cooperative trading. The largest farmers' clearing house in Michigan recently filed an insolvency petition. There are differences of opinion between the Farmers' National Grain Dealers' Association and the U.S. Grain Growers, Inc., regarding selling plans. The Minnesota State Securities Commission has forbidden the U.S.Grain Growers, Inc., to sell shares because its offer is 'misleading and deceptive.' Farmers are honest as a rule, but they have no monopoly of virtue or wisdom."

Government Expenses

Ordinary Government expenditures for the ten months of the present fiscal year fell off by nearly $1,500,000,000 compared with the corresponding period of last year, while public debt disbursements declined more than $1,000,000,000, according to a statement on Government outlay from July 1, 1921, to April 30, 1922, issued May 17 by the Treasury. Ordinary expenditures for the ten months aggregated $2,820,000,000, against $4,278,000,000 a year ago. (Press, May 18.)

Secrecy of Radio Messages Promised

"John Hays Hammond, jr., apparently has revolutionized radio communication by a new invention. He has perfected a comparatively simple apparatus to prevent any station from taking messages except those for which they are intended." (From a detailed statement in N.Y.Times, May 18.)

Section 2.

Agricultural Credit

The Wall Street Journal for May 17 says in an editorial: "There seems little doubt that the present Congress will pass a bill in some form, designed to aid the credit requirements of the farmers. Whether or not such a measure is needed is a matter on which men may honestly differ, but in the face of the certainty of its passage argument on the question is a waste of time. The main question now is to shape legislation to secure a law which will do the most for the farmers with the least likelihood of danger to their customers -- the rest of us. There is now before the Senate Finance Committee a bill introduced by Senator Simmons, which should be scrutinized by every banker and business man in the country. Plainly, its intentions are good, but it would fail to accomplish its purpose and would be a menace to the financial structure. It is credibly reported that Senator Simmons expects to rewrite the bill, which would at least indicate that he is open to suggestions. As the bill now stands a 'national agricultural credits corporation' is to be formed. This is made the heir of the War Finance Corporation, which must die within ninety days after the new corporation is ready to begin business. Thus, the original capital of $500,000,000 is furnished by the Government. The corporation is composed of the Secretary of Agriculture and four others, appointed by the President, three of whom are to be farmers or live-stock men with five years' experience in banking. As the bill covers 27 pages the paragraphs can not be here taken up seriatim. The scope of the bill, however, seems such as to develop an independent banking system, highly centralized. It is by no means auxiliary to, or a part of, the present banking system but, in its special field, is a competitor to it. Agriculture bases its plea for credit aid on the fact that its period of production and distribution is far longer than that of commerce and industry. That fact would point to a credit system that would be a link between commercial and investment banking. Instead, the proposed corporation could, with its Government-furnished capital, take agricultural paper under the six-months limit. The Federal Reserve can already do this. Why set up another institution to compete instead of confining it to paper of a time limit commercial banking can not handle? Our live-stock industry is vitally interested in this question of credit, but the bill does not make adequate provision for its needs, nor are proper safeguards provided for making loans of this nature. When properly placed and looked after, cattle loans are among the best. When they are not, they are dangerous. A corporation functioning under a law on the lines of this bill would soon learn this by bitter experience."

Canada to Stop Oleomargarine Sale

"During the war Canada permitted the importation and manufacture of oleomargarine, on account of the scarcity and high price of butter. It is officially stated, however, that there will be no extension of the present regulations governing the trade, which terminate on August 31,1922, so that after that date importation and manufacture will not be permitted. The sale of oleomargarine will be allowed until March 1, 1923. It is stated that, with the prohibition of trade in oleomargarine, cheaper grades of butter will be placed on the Canadian market." (Butter, Cheese and Egg Journal, May 10.)

Corn in Europe

"A Fruit of the Famine" is the title of an editorial in The Christian Science Monitor for May 11 which says: "In the spring of 1916 a group of grain merchants laid before the United States Department of Agriculture a suggestion for a drive to induce American farmers to plant more corn. It was foreseen that there would be a world shortage of wheat, and it was hoped that Europe could be persuaded to take corn as a substitute. Secretary Houston was asked to initiate an educational propaganda in European countries to secure larger consumption of this cereal. ... Secretary Houston declined the task, but after the war Mr. Hoover took it up. In his capacity as agent for the American people to feed the famishing populations of Central Europe, and more recently of Russia, he has made a virtue of necessity, and because he could not obtain enough American wheat to supply their needs, he has given them corn. It is not surprising, therefore, to read in the last report of the Bureau of Foreign and Domestic Commerce that during the first three months of this year 65,000,000 bushels of corn have been exported from the United States. That is three times the normal amount for the period. Edward G.Montgomery, chief of the Division of Foodstuffs, says that this vast increase in exports is largely due to the advertising corn has had in Europe through relief work. ... The peasants and industrial workers of Europe demand cheaper food than white bread. It well may happen, therefore, that out of the food shortage which was one of the consequences of war, some good may come. Europeans may acquire a taste for American maize, thus adding an inexpensive and delicious cereal to their diet, and American farmers may find an outlet for a grain that is easily grown and adapted to most climates and soils."

Cotton

"Cozening the Cotton Farmer" is the title of an editorial in The Journal of Commerce for May 15, which says: "According to press reports a so-called expert of the Interstate Cotton Seed Crushers' Association in addressing the Southern Wholesale Dry Goods Association of Atlanta told his hearers that 'we are about through with low prices.' He then proceeded to forecast high prices for cotton and cotton goods and asserted that the country is now again facing the danger of a shortage of cotton. It would be very difficult for the farmer who remembers the experience of 1921 to reconcile such predictions with his own knowledge of events. Neither he nor any other group of producers can fix the price of cotton, or safely declare a shortage; and, as the statistics from other countries clearly show, there is abundant reason for believing that plenty of other nations are going into the cotton business and with success. Yet annually there is this constant twaddle about keeping prices high, shortening the crop, facing a shortage, and the like. There was a large carryover of cotton from last year -- a good deal of the crop being held on the strength of bank loans. What deterioration may have occurred in this heldover cotton and how far it may serve a useful purpose remains to be seen. But there is a good deal of cotton in the country and this year's acreage is large. It may be, as predicted and apparently desired by many, that boll weevil and other factors will greatly cut down the yield. If so, other nations will quickly make it up, and our farmer will be the loser because of the shortening of his crop, instead of gaining thereby. When will the southern cotton farmer learn the elementary principles of his business from the marketing standpoint?"

Federal Reserve System

Bankers of the country must rally to the support of the Federal Reserve system if they wish to prevent it "becoming enmeshed in self-serving politics," Thomas B. McAdams, president of the American Bankers' Association, declared May 16 in an address before the Missouri State Bankers' Association convention at Excelsior Springs. There have been many exaggerated statements as to the expenses, Mr. McAdams asserted, and many misrepresentations as to the policies of the banks have been circulated. Even bankers, he said, injured the system at times by telling their customers the Federal Reserve Bank will not permit them to make certain loans. (Press, May 17.)

Food Prices

The retail food index issued by the Bureau of Labor Statistics shows that there was an increase of one-tenth of one per cent in the retail cost of food to the average family in April as compared with March. During the month from March 15, 1922, to April 15, 1922, 19 of the 43 articles on which monthly prices are secured decreased in price as follows: Potatoes, 6 per cent; cheese, 3 per cent; fresh milk, evaporated milk, lard, cabbage, and bananas, 2 per cent; butter, oleomargarine, rolled oats, cornflakes, macaroni, baked beans, canned corn, and raising, 1 per cent. The price of canned salmon, nut margarine, strictly fresh eggs, and cream of wheat, decreased less than five-tenths of 1 per cent. Nineteen articles increased in price during the month as follows: Onions, 19 per cent; oranges, 13 per cent; pork chops, 5 per cent; navy beans and prunes, 4 per cent; lamb and granulated sugar, 3 per cent; round steak, bacon, and ham, 2 per cent; sirloin steak, rib roast, chuck roast, crisco, rice, canned peas, and canned tomatoes, 1 per cent. The price of tea and coffee increased less than five-tenths of 1 per cent. Prices remained unchanged for plate beef, hens, bread, flour and cor meal. For the year period, April 15, 1921, to April 15, 1922, the percentage decrease in all articles of food combined was 9 per cent. (From the report.)

Fruit Marketing

"The board of directors of the Federated Fruit Growers is in New York City. It is understood that negotiations are under way for the immediate establishment of grower-owned and grower-controlled sales agencies in the great cosmopolitan centers of consumption." (Amer. Farm Bur. Fed. Weekly News Letter, May 11.)

Grain Futures Change

"Members of the Senate agricultural bloc May 16 began study of measures to meet the Supreme Court decision May 15 virtually nullifying the Grain Futures Act. Senator Capper and Senator McNary had an informal conference and predicted that new legislation would be developed to meet at least in part the court's ruling. Under consideration, it was said, was a bill to license grain traders and provide penalties for violation of regulations to be prescribed by the Department of Agriculture, restricting future grain trades. Senators said they believed that a smaller penalty than that of 20 cents a bushel, provided in the law before the court, might be as effective." (N.Y. Times, May 17.)

Prices in April

The Bureau of Labor Statistics to-day issues a report which says that wholesale prices of most commodities in April varied little from those of the preceding month.

Section 3.

Department of Agriculture

1. Northwest Farmstead for May 15 says in an editorial: "When Davy Crockett aimed his rifle at a coon, it is said the coon inquired: 'Is that you, Davy Crockett? Don't shoot, I will come down.' When Secretary of Agriculture Henry Wallace caused the arrest of 110 commission men at St. Louis on a charge of instituting a boycott against the cooperative commission firm at the stock yards, they all pleaded guilty and signed an agreement to quit the practice. That is what the new national law, backed up by a vigorous Secretary of Agriculture, is able to do for cooperation."

2. The Farmer (St. Paul) for May 13 says in an editorial: "The argument between the Minnesota and the Federal authorities in charge of stockyards supervision at South St.Paul has progressed to the point where the courts have been used to permit the State to continue weighing supervision and where Congress has been asked in the Clague bill to restore the weighing privilege to the States. ... The Minnesota Railroad and Warehouse Commission officials in charge of stockyards supervision contend that State weighing of live stock has been of great protection to shippers, a protection which was not given under the Stockyards and Packer Control Act. This view is seconded by the officials of the Central Cooperative Commission Association and by the Minnesota Farm Bureau Federation, officials of both organizations having appeared at Washington hearings in behalf of the continuance of State weighing. Present indications, such as the upholding of the constitutionality of the Federal law by the U. S. Supreme Court, and seeming indifference to the Clague bill, point toward the failure of the plan to retain State supervision of the South St.Paul Stockyards. The controversy has been unfortunate in that the impression has been left in the minds of many people that the Stockyards and Packer Control Act is not working out for the protection of the live-stock grower, and is a failure as compared with the Minnesota plan of supervision. Considering the country as a whole, the American stock grower was undoubtedly the gainer by the passage of the Stockyards and Packer Control Act. The recent decision of the court in sustaining the prosecution of the St. Louis commission men and traders who were attempting to boycott independent commission companies, was one evidence of the worth of this legislation. Under the administration of the Secretary of Agriculture, the Stockyards and Packer Control Act promises to be of incalculable value in securing justice for the live-stock shipper. ... The suggestion has been made that the Department of Agriculture should have a representative at all scales in public stockyards, a representative who can serve not only the department but the live-stock producer as well. Such a representative would have the opportunity of studying all live-stock sales at close range and, from this experience, would soon be able to spot nearly all of the irregularities in marketing operations which cause loss to the shipper. If it is profitable to the shipper to have weighing under State supervision, and if Federal supervision is to supersede State activities, then, by all means, the desirable features of such laws as the Minnesota law should be incorporated in application of the Federal Stockyards and Packer Control Act. The live-stock grower is chiefly interested in results, and not in controversies between the State and Federal authorities."

Department of Agriculture

3. "Shortsighted Policy" is the title of an editorial in American Agriculturist for May 13, which says: "European nurserymen are not pleased with the plant quarantine rulings of the Federal Horticultural Board; in fact, they so object to America's way of protecting herself against plant parasites that they threatened reprisal at the recent conference of the International Professional Horticultural Federation at the Hague. A resolution adopted by the federation, however, carefully neglected to state what form that reprisal would take, except that it should extend to fruit and agricultural produce. This is a mighty shortsighted policy on the part of such a group of nursery and plant men, many of whom have international reputations. If our friends across the water so inspected and shipped their ornamental and nursery stock that no insect pest or fungus had been admitted to this country it would never have been necessary for the Department of Agriculture to adopt a quarantine of any kind."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 17: Chicago May wheat averaged higher most of day but there was a drop in prices on deferred futures. Lack of strength in foreign markets and slow export demand were factors. Chicago July wheat lower at $1.27 1/4; Chicago July corn lower at 64 1/2. Closing prices in Chicago cash market: No. 2 red winter wheat $1.45; No. 2 hard winter wheat $1.45; No. 2 mixed corn 62¢; No. 2 yellow corn 61¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.40½; No. 2 hard winter wheat in central Kansas $1.30.

Chicago hog prices steady to strong, bulk of sales $10.45 to $10.95. Medium and good beef steers steady to strong at $7.60 to $8.75. Butcher cows and heifers $4.75 to $8.40. Veal calves steady to 50¢ lower at $7.75 to $10.50. Fat lambs down 25¢ at $10.50 to $12.85.

Most eastern potato markets slow but steady. Spaulding Rose $5 to $6 per bbl. South Carolina cobblers $4.50 to $5.00. Prices down 5¢ in Minnesota shipping points at $1.20 to $1.25 per 100 lbs. Texas yellow onions down 10 to 25¢ in most eastern markets at $1.75 to $2.00. North Carolina lettuce $1.25 to $1.50 per bu. hamper in New York. California icebergs $2 to $2.25 per crate. Timothy hay market generally girm for good grades because of light receipts. Clover dull and lower in most markets. Alfalfa and prairie weak. New hay offered in Southwest. Wheat feeds slightly firmer. Demand for spot and early shipments slightly improved. Deferred shipments dull. Linseed production limited. Demand quiet. Butter markets steady to firm at close, although the tone is very sensitive on account of seasonal influences. Cheese markets firm.

Spot cotton up 1 point, closing at 19.76¢ per lb. New York May futures up 7 points, closing at 21.27¢. (Prep. by Bur. Mkts. & Crop Est.)

Industrials and Railroads

Average closing price.	May 17	May 16	May 17, 1921
20 Industrials	93.71	92.63	77.51
20 R.R. stocks	84.00	83.34	74.16

(Wall St. Jour., May 18.)

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Vol. V, no. 42. Section 1. May 19, 1922.

President Harding on American Commerce

In an address before the annual meeting of the Chamber of Commerce of the United States May 18, President Harding declared the ranking constructive thought in the mind of the administration was the desire to firmly establish an American merchant marine. With this, the President urged the need of an American commerce "with a conscience." He declared business was reviving, but no business could permanently succeed if it was not honest. In laying down his principles with regard to foreign commerce, President Harding said: "I believe it is possible to trade with the world without any destruction of American productivity. I wish for such an arrangement. Let us sell things that Americans can produce advantageously to those who can not produce them. Let us buy the things that they have to sell to us and which we do not produce. Out of such exchanges comes righteous relationship and balances of trade and the continued forward movement of the great human procession."

Ship Subsidy Plan

Albert D. Lasker, chairman of the Shipping Board, told the Chamber of Commerce of the United States meeting yesterday that the proposed ship-subsidy law is designed to place the American merchant marine on a parity with Great Britain, whose costs are next highest to ours, and trusts to the ingenuity of our shippers to conquer all other obstacles.

Harvey J. Sconce, of Slidell, Ills., told the convention yesterday that the farmer can not see much benefit from the ship subsidy plan if rail rates are not lowered or the Great Lakes waterway is not constructed, and, until this is done and the Middle West farmer is placed on a parity with the manufacturer of the Coast States, he is not in favor of being taxed to maintain an industry that should stand on its own foundation. Mr. Sconce said a burden would be placed by the subsidy law on the farmer which could be offset only by allowing the farmer to load his products for foreign shipment virtually at the front gate of his farm. (Press, May 19.)

Julius Barnes Heads Chamber of Commerce of United States

Julius H. Barnes, of Duluth, was elected president of the Chamber of Commerce of the United States at the annual convention, May 18, succeeding Joseph H. Defrees of Chicago. (Press, May 19.)

Genoa Conference

Genoa correspondence to the press states that the conference will end to-day with a plenary session. The Hague project as presented to Washington was adopted May 17 with only slight changes, and that conference will begin June 15. American Ambassador Child and Premier Lloyd George conferred May 18 concerning the American attitude on The Hague conference, and hope was expressed that the United States will finally decide to participate.

Section 2.

Agricultural Bloc and Tariff

The Journal of Commerce for May 17 says: "What is heralded as a first defeat for the farm bloc occurred on Monday in the Senate when the demands of the progressive Hiram Johnson for a prohibitive tariff on citrate of lime and allied products were defeated. Johnson had thought to gain somewhat further aid for the California fruit monopoly, one of the most highly organized and effective price fixing concerns in the world, and had therefore demanded the additional duty. The extreme of selfishness thus exhibited disgusted the Democratic allies, who have usually worked with the farm bloc, and they accordingly voted with the 'conservatives,' who for once were on the side of lower rates. This is not a very severe defeat for the farm bloc, but it points to two things that are of interest. One is that the bloc retains its hold on Congress only through manipulation and negotiation, by alliances with other elements, such as the opposition tariff Democrats. The other is that at times the bloc may go too far if it permits the dictates of its greed to overwhelm the last scruples of prudence. Of course, where agricultural products from Democratic States are at issue the case is different. The alliance between the farm element and the Democrats then works well enough. A like situation presents itself when progressive Republicans find their progressivism in conflict with their farm sympathies. Then liberalism flies out of the window and tariff bourbonism takes its place. The Senate is simply incurable on tariff questions. Never has it reached so low an estate as at present -- not even during the Aldrich tyranny of two decades ago."

Airplane for Transportation of Farm Products

A fokker monoplane carrying 1,000 pounds of asparagus left Mullica Hill, Gloucester Co., N.J., on the morning of May 17 and four hours and thirty-two minutes later landed near Boston. The flight was a demonstration by the County Board of Agriculture to show farmers how it was possible to get their perishable commodities to the market where prices were highest. (Phila. Ledger, May 18.)

Australian Meat Trade Gets Government Aid

Brisbane, Australia, correspondence of The National Provisioner for May 13 states that as a result of numerous consultations between the cattle raisers of Queensland and the Prime Minister the proposals of the Federal Government for assisting the meat industry have just been announced. A scheme was adopted involving (a) a Commonwealth Government subsidy; (b) a reduction of freights; (c) a reduction of wages; (d) reductions of other costs of production.

Creamery Inspection

Butter, Cheese and Egg Journal for May 10 says in an editorial: "A bill has been introduced in the House of Representatives at Washington to create a system of Federal inspection of creameries. Such inspection would be carried on by the Department of Agriculture, and all butter moving in interstate commerce would have to be produced under rules laid down by the Secretary of Agriculture. If such inspection would eliminate some of the evils in the creamery business it would be welcomed by the creamery men of the country, but we can't see how Federal inspection can be more efficient than State inspection. We have had State inspection of creameries and cheese factories in the older dairy states for many years and such inspection has resulted in benefit to the entire dairy industry. ... We are in favor of any kind of inspection that will actually cure some of the evils incident to the creamery business. ... "

Dairy Marketing

The American Agriculturist for May 13 says in an editorial: "One of the greatest stumbling blocks in the onward path of the 'poolers' has been the confusion within the ranks over the lack of direct representation in the Dairymen's League Cooperative Association. Under the reorganization and redistricting plan of the association, this objectionable feature is to be done away with, and every last dairyman will get a chance of direct vote on the personnel which shall have control. ... This remodeling of the structure of the cooperative association is made possible without legal difficulty following the passage of the Federal law to legalize cooperative bargaining. It is the expression of that inherent right of farmers to conduct their business in a business-like way, and its corollary is the direct vote, impossible with safety without legal protection. This is a wise and proper step and wipes away one of the strongest arguments advanced by those who have opposed the pooling plan of the cooperative association."

Farmer on Reserve Board

"This invading of the sacred precincts of a bank by one representing agriculture -- a farmer, if you please -- is all wrong and uncalled for if we may believe what the critics say in regard to recent legislation looking toward placing a farmer on the Federal Reserve Board. They go on to say that such a move is nothing more nor less than class legislation forgetting the fact that the law creating the Federal Reserve Board states that two of its members should have experience in banking, which, putting it another way, simply means that the law did not regard more than two bankers as necessary on the Board, and that the others might be drawn from agriculture and industry. In the opinion of those who wrote the law, it is not necessary at all to have more than two bankers on the Board. And while the farmer member provided in recent legislation will be the only one on the Board not a banker, it will probably be just as well as not to have the Board made up of two bankers and such other big outstanding individuals as would represent agriculture and other interests. ... What the farmers want and are entitled to, since their industry is the biggest in all the United States and fundamental above all others, is somebody on the Federal Reserve Board that is directly interested in agriculture and that will stand up and fight for agricultural rights in the handling of the Nation's money. The country can not possibly suffer from putting a bright honest farmer on the Federal Reserve Board." (Southern Ruralist, May 15

Game Legislation

In an editorial entitled "A Federal Hunting License," The Outlook for May 17 says: "The wise conservationist seeks both to utilize and preserve. The principle of utilization, as well as preservation, underlies a bill now before Congress which provides for public shooting grounds and game refuges. ... The right of the Federal Government to control the killing of migratory birds has already been established. This bill (Senate 1452, H.R.5823) would enable the Federal Government to carry out a constructive program within the bounds of this right which would be of far-reaching advantage to all those interested in the preservation of game. States, such as Pennsylvania, have demonstrated clearly the value of game refuges. States, such as New Jersey, have already demonstrated how much can be done by the application of license fees to the improvement of shooting and fishing conditions. This bill would carry into the national field principles and plans the value of which has already been thoroughly demonstrated. It is heartily to be commended."

Grain Trading

The Northwest Miller for May 10 says in an editorial: "It will require more even than the practiced glibness of the grain trade's publicity department to convince the country that recent developments on the Chicago Board of Trade and elsewhere have not been the direct result of speculative manipulation. The sudden pressure on May wheat, the hurried purchases by shorts who were in the process of being squeezed, the advance in prices on the thinnest of excuses, or with no excuse at all; every phase of the performance bears the characteristic marks of that form of speculation which the public regards as gambling. When wheat option prices jump six or eight cents in the course of one day's trading, and when the current news provides absolutely no information indicating either an increased demand for actual wheat or a prospective shortage of supplies there is only one possible conclusion to be drawn. When the same thing happens year after year at almost exactly the same time, becoming so familiar that the 'May squeeze' is marked on Chicago's calendar as methodically as Easter or Decoration Day, the natural assumption is that the speculative leaders feel so sure of their ground that they dare to defy public opinion. In this, however, they are wrong. They have acquired a false confidence through the failure of the farmers' marketing plan to accomplish its far too extensive purposes, and through the fact that the Capper-Tincher bill had most of its teeth drawn before its enactment. They believe that last year saw the worst of their troubles, and that, because they were able to survive the storm with relatively slight damage, they have nothing to fear from the future. ... This method of doing business, if persevered in much longer, will lead to one of two things: either the principal buyers of actual wheat will ally themselves closely with the farmers' selling agency, or else the Government will once more interfere, and this time will not be put off by specious promises of reform. ... "

Marketing Instruction

The Michigan Farmer for May 13 says in an editorial: "Even though it might be possible for the private distributor of farm products to handle these products as cheaply as can be done through a cooperative organization, there still remains a benefit of no mean value accruing to the member of the properly managed cooperative selling organization. These organizations are real educational institutions. Being in the hands of the farmers' own agent, the producer of farm products can watch his goods as they go on their journey to the consumer. During this journey the farmer sees many things he did not know before. He discovers why it is that one grade will command a better price than another grade. It does not take him long to learn who is cheated most when small apples are placed in the center of the barrel, when eggs that are partly incubated are mixed with the fresh ones, when taggings are baled into the center of the fleece, etc. These lessons are thoroughly taught, because their value can be definitely measured in dollars and cents. Not only this, but through these cooperative associations definite efforts are made to bring all of this information to the farmer's attention. Often schools are held to accomplish this end. For instance, the cooperative method of pooling wool has resulted in hundreds and thousands of farmers here in Michigan getting their first real lessons on the growing of higher grades of wool from the demonstrations held on wool delivery day. The comparatively small percentage of throw-outs this year,

after two seasons of pooling, is sufficient testimony of the fact that the lessons were well learned. The potato growers have also justified the cooperative marketing plan on this educational basis. ... Before we say any harsh words against the cooperative method of distributing our farm crops, particularly now when all kinds of business institutions are having hard going, let us measure as carefully as we can the value these institutions have been in bringing to us an entirely new line of information on the production of a grade of crops that will net us more money."

Meat Campaign

The National Stockman and Farmer for May 13 says: "The plan for financing the National Livestock and Meat Board will be submitted for approval at the annual meeting of the National Livestock Exchange at Kansas City, May 18-20. This plan is to collect five cents each from the shipper and buyer on each car of stock sold in the established markets. The money goes 'to champion the cause of meat without disparaging other food products.' Other food products have their advocates and they all take a whack at meat, to the dismay of the breeder and feeder and the disregard of the natural appetite of the human race. Producers, packers, commission men and retailers now have an organization to combat anti-meat propaganda, and it is to the advantage of all affected to back this organization. The action of the National Livestock Exchange on the proposition which will come before it next week will bear some relation to the producer's attitude. If he favors it, as he undoubtedly does, he can make his attitude known through shippers and shippers' organizations and help give meat the standing it deserves in man's rations."

Section 3.

Department of Agriculture

"The Power To Tax" is the title of an editorial in The Wall Street Journal for May 18, which says: "Because the agricultural bloc overlooked an obvious contingency, it is now applying cold compresses to a very black eye. In short, the Supreme Court has declared the vital sections of the Futures Trading Act to be invalid. Grain exchanges and boards of trade are voluntary associations of business men whose members act as agents in buying and selling grain. For this service they charge a commission. Like other business associations, they have the right to say who shall and who shall not become a member. When a man is admitted to membership he is obliged to pay for his admission and to conform to the rules. A partnership to sell groceries at a crossroads would do the same. By use of the taxing power of Congress the bloc sought to club the exchanges into giving a free service to its former constituents. Grain was to be handled for the farmers practically free of charge. What sop could be handed voters more tasty than that. To be sure the movers of this scheme do not carry that principle into their own lives, but political reformers should not be expected to practice what they preach. Senator Capper may charge for the papers he sells the farmers, while compelling the grain exchanges to work for nothing and pay their own expenses. Farm cooperative associations are being formed to market products. In themselves, they are good things. But this law would permit them to place a representative in any board of trade or grain exchange, whether the members wanted him or not, and there buy and sell for the cooperative association. The farmers of a

county, state or states could form an association, select one of their number as their broker, force him into a private association, where, taking advantage of all the marketing machinery and facilities provided by the exchange, he could handle all their output without any expense save his salary. It was a great scheme for getting service for nothing. Any exchange that would refuse the opportunity of coming under Federal regulation and making itself a distributing station for free services was to be taxed 20 cents a bushel on all grain handled through it. This, of course, would mean destruction. Some individual members of the Chicago Board of Trade appealed to the courts for protection in their property rights. The Supreme Court has upheld them and declared that section an unwarranted extension of congressional power. Thus ends in defeat Senator Capper's mistaken conception of what Marshall meant when he said 'the power to tax is the power to destroy.' "

Section 4.
MARKET QUOTATIONS.

Farm Products

May 18: Strong selling prices caused wheat prices to decline; volume of business small; no export business reported. Chicago July wheat lower at $1.26 1/4; Chicago July corn lower at 64 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.42; No. 2 hard winter wheat $1.42; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 48¢; No. 1 dark northern wheat in central North Dakota $1.40; No. 2 hard winter wheat in central Kansas $1.25.

Chicago hog prices 5 to 15¢ higher, bulk of sales $10.55 to $11.00. Medium and good beef steers strong to 15¢ higher at $7.75 to $8.85. Butcher cows and heifers steady to strong at $4.85 to $8.50. Veal calves steady to 25¢ lower at $7.50 to $10.25. Fat lambs steady to 25¢ lower at $10.00 to $12.75.

Old potatoes slow and slightly weaker. Shipments 340 cars old, 180 cars new. South Carolina Irish cobblers irregular in most eastern markets at $4.50 to $5.50 per bbl. Florida Spaulding Rose steady in most markets; up 50¢ in Chicago at $6.25 to $6.50. Texas yellow onions irregular in most eastern markets at $1.75 to $2. 00 per standard crate. Tennessee Klondike strawberries up 25¢ in Pittsburgh and Chicago at $2.50 to $2.75 per 24-qt. crate. Florida tomatoes $3.75 to $4.00 in New York. Timothy hay market generally firm for good grades. Clover dull and lower in most markets. Alfalfa and Prairie weak. New hay offered in southwest. Stocks generally light but demand limited. Wheatfeeds slightly firmer. Offerings hominy feed very light and prices firm because of good demand. New alfalfa meal offered Cincinnati $27.50. Butter markets steady to firm, although tone is very sensitive. Receipts include increased quantities with strong grass flavor.

Spot cotton up 4 points, closing at 19.80¢ per lb. New York May futures up 11 points at 21.38¢. (Prep. by Bur. of Mkts. and Crop Est.)

Industrials and Railroads

Average closing price	May 18	May 17	May 18, 1921
20 Industrials	93.91	93.71	76.96
20 R.R. stocks	84.41	84.00	75.53

(Wall St. Jour., May 19.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 43. Section 1. May 20, 1922.

President Harding on Business Revival

President Harding's views on business conditions, based upon advices received from all sections of the country, were made known at the White House May 19. In substance, the President believes that industry is on the eve of a wholesome revival, that agricultural conditions as a whole have improved and that unemployment is giving way to a labor shortage. (Press, May 20.)

Edison Urges Scheme of Long Farm Credits

Proposed by Thomas A. Edison, a new plan of long-term credits to farmers was taken under consideration May 19 by a committee of the Senate agricultural bloc. The Edison plan, as outlined by Sen. Capper, and members of a special committee considering the matter of farm credits, contemplates issuance of a series of farm currency through a central Federal farm bank. The currency would be lent to farmers for one year, repayable at the rate of 1 per cent a month, with a lien of 50 per cent of farmers' crops as security, Mr. Edison proposed a twenty or twenty-five year average of prices of agricultural products as the basis for the 50 per cent value loans. No interest would be charged farmers for the money lent to them under Mr. Edison's plan but the borrowers would be required to pay the overhead for a chain of Government warehouses, in which crops upon which loans were made would be stored. Such warehouses, under Mr. Edison's plan, would be erected by his system of building by poured concrete. (Assoc. Press, May 20.)

New Grain Bill Announced

Representative Tincher, announced May 19 that a bill is being prepared revising the portion of the Future Trading Act which was declared invalid by the Supreme Court. The bill will provide for regulation of trading in grain futures under the authority of the commerce clause of the Constitution, instead of using the taxing power. (Press, May 20.)

Nations Called to Dairy Conference

Invitations asking 150 nations, colonies and commonwealths to send representatives to the World's Dairy Congress, which is to be held in an American city yet to be decided in October, 1923, were sent out yesterday by the State Department in the name of President Harding. (Press, May 20.)

Ford to Market New Flour

The New York Times to-day reports from Boston that Henry Ford has invented and produced a new kind of flour that will undersell anything now on the market and will be, in addition, much more healthful and invigorating than any flour heretofore known.

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 15, to May 17, 1922, inclusive, it approved 56 advances, aggregating $2,298,000, for agricultural and live-stock purposes in 22 States. (W.F.C. press statement, May 18.)

Bankers Assoc. Proposes Washington Headquarters

The membership of a nation-wide bankers' committee of the American Bankers Association to consider the removal of the organization's headquarters from New York City to Washington, D.C., has been announced. The suggestion for removal was made by President Thomas B. McAdams of the association in his report at the recent annual spring meeting of the executive council at White Sulphur Springs, West Virginia. (Press statement, May 19.)

British Agricultural Research Report

The (British) Journal of the Ministry of Agriculture for May contains a review of a report entitled "Agricultural Research and the Farmer: A Record of Achievement," about to be issued by the ministry. The review states that the ministry commissioned one of its officers, Mr. V.E. Wilkins, "to visit institutions where research is being conducted, and prepare a report which would not only describe the work in a readable and non-technical style, but would link together as far as possible the various phases of investigation, and show their relation to the practical problems of the farmer. The report deals with all aspects of research. ... A list of research institutions and advisory centers in England and Wales, and bibliography giving the titles of papers published by research workers in 1920 and 1921, are included as appendices." The report may be procured from H.M.Stationery Office, Imperial House, Kingsway, W.C., London.

Corn

The press of May 19 quotes Carl Vrooman, former Assistant Secretary of Agriculture, as saying in a recent address: "The splendid and almost instantaneous rise in the price of corn and wheat resulting from our gift of $20,000,000 worth of grain to Russia shows unmistakably how nearly the bull factors have come to overcoming the bear factors in our terminal markets and hence how easy it would have been at any time during last year to raise the price of our farm products up to the cost of production by selling not all but a reasonable percentage of our surplus abroad on credits. If everybody in the corn belt would boost corn, as every man, woman and child in the South boosts cotton, we long since would have found a way to dig ourselves out of the hole we are in. ... If we can develop the corn belt consciousness it will be an easy matter to pool the grain, the driving power and the financial resources of this fertile region behind our staple crop in such a way as to shove the price of corn up at least to the cost of production."

Cotton

1. It is reported from Cairo that the Egyptian Agricultural Syndicate is agitating the Government to buy greater quantities of cotton from the market at Alexandria, as the 2,500 bales already purchased, it is stated, are insufficient. It is understood that the Government has no funds available, but is anxious to placate the syndicate if possible. The Government faces financial embarrassment or the hostility of the powerful syndicate of landowners. (N.Y.Times, May 19.)

Cotton

2. "Prices of cotton for all the future deliveries have now crossed the 20-cent line. The May delivery has reached 21.34, and spots 21.50, while the new crop months of October and December touched 20.60. There is only one explanation: Demand for goods is increasing, the carryover of old cotton is being consumed and crop prospects are not bright. A continuance of these factors will result in an acute situation. On the basis of the acreage figures given last year, the market realized, late in September, that the production of American cotton would be far below needs. ... Compare these facts with present conditions: That 8,000,000 bale crop has been consumed already. In fact, it was gone by the first of April. Since that time mills of the world have been using the carryover, and at present rate of consumption they will leave only 4,250,000 bales of it by the first of August. The new cotton year then will begin with a world surplus of American-grown cotton of 4,250,000 bales compared with 9,360,000 when prices advanced so rapidly at the prospect of a crop of approximately 7,000,000 bales. Starting with a world supply of 4,250,000 bales of American-grown cotton, we must raise this year 12,300,000 bales to make a total equal to what appeared to be in existence last October, when prices went so high. To bring the world supply of American-grown cotton to what really was in existence, we must raise 13,300,000 bales. As the crop prospects advance towards or recede from these figures, prices will fluctuate. They will also be influenced by demand for goods, which now is growing stronger, and the fact that world consumption of cotton of all kinds has increased 2,000,000 bales, or 11 per cent, in a year. Even a prospect of a Russia clothed, and in its right mind, would add to cotton prospects. Probable, (not possible) world consumption of American cotton will be 12,500,000 bales. The carryover and a crop of 8,250,000 bales would furnish this. But then what of a carryover for next season? Mills of the world use more than 1,000,000 bales of American cotton a month, and at least three months' supply should be carried. In the circumstances a crop of 11,000,000 bales would be dangerously small. The crop has had a poor start and the first two weeks of May have been unfavorable. Twenty cent cotton, therefore, looks cheap." (Wall St. Journal, May 19.)

Egg and Poultry Cooperative in England

"A Successful Egg and Poultry Cooperative Society" is the title of an article describing the Framlingham and Eastern Counties Cooperative Egg and Poultry Society, Ltd., England, by its manager-secretary, E.G. Warren, in the (British) Journal of the Ministry of Agriculture for May. In 1903 the society had 114 members, holding 1,600 shares, and collected 453,079 eggs. In 1921 membership had increased to 5,091, holding 53,031 shares and the society had collected 24,146,059 eggs which sold for 282,353 pounds.

Food Research Institute in Operation

The American Food Journal for May says in an editorial: "One year having elapsed since the announcement by the Carnegie Corporation of an endowment for a Food Research Institute at Stanford University, the directors of that institute, Dr. Carl L. Alsberg, Dr. Joseph S. Davis and Dr. Alonzo E. Taylor, have now made known the program for the work which is now to be begun. While the precise program will be developed gradually, it is stated that it will have to do chiefly with such matters as the food elements in actual and normal standards of living and the physiological and social aspects

of sub-nutrition; the sources, production, marketing and utilization of important staple foodstuffs such as wheat; the financing of farm operations and the manufacture and marketing of food products; the analysis of important food industries and the problems which they present; the technology of food manufacture, and the desirable scope of public control thereof; and the elements in a sound national policy with respect to food production, internal distribution and international trade. The institute will endeavor not to conflict with existing organizations which are working along somewhat similar lines, but on the contrary will endeavor to cooperate with them. The complete prospectus of the institute, published in this issue, is an important step in the movement toward the highest standards in food manufacture and distribution."

Genoa Conference

The New York Times for May 19 says in an editorial: "The Genoa conference comes to an end in an obviously chastened and sombre mood. The contrast between what was hoped and what has been achieved is naturally somewhat depressing to the delegates. ... While the failures are conspicuous, there are certain gains to be recorded. One of them is the fact that the Genoa conference was not disrupted, but simply died a natural death. The general unity of the European nations was not broken. ... In the agreement of all the Powers to maintain a truce at least throughout the rest of this year, together with the pledge to make no separate treaties with Russia until after the meeting of the economists and the bankers at The Hague, we have a result at once reassuring and beneficial. Europe is thereby guaranteed a breathing space during which the work of recuperation may be carried on by private initiative. And it must not be forgotten that it is, after all, the farmers, the manufacturers, the merchants, the railroad men, the workers in shop and field and on the sea, who can do more to rebuild Europe than all the statesmen gathered at Genoa. Mr. Frank Vanderlip sums up the work of the Genoa conference in a happy phrase, when he says that it was a great international 'clinic'. Experts diagnosed the disease, but did not undertake the capital operation necessary for a cure. ... Lloyd George declared, somewhat with the air of a man disillusioned, that the real cause of the disappointment at Genoa lay in the fact that the delegates had found themselves face to face with two absolutely irreconcilable systems of government. He meant, of course, the Communist system of Russia confronting the methods of government and of trade prevalent in all the rest of the world. It hardly needed the expense and labor of the Genoa conference to demonstrate this. The truth was long ago discovered in this country. The Genoa diagnosis was anticipated at Washington. ... "

Grain Trading

New York Commercial for May 19 says in an editorial: "Following the decision of the Supreme Court with reference to the Futures Trading Act, Mr. Julius H. Barnes, who was head of the United States Grain Corporation during the war, has addressed the Chicago Board of Trade on the subject of putting its own house in order and calling a conference of American grain exchanges so that similar action may be taken. It is not that Mr. Barnes implies there are any serious conditions to be corrected, but that such voluntary action by the exchanges themselves would have the effect of creating confidence in their good faith. Future trading, properly conducted, will be impressed upon the community as a great national insurance service, and

as Mr. Barnes points out, that service must cover wheat not in position for actual delivery, and flour, the product of wheat, which should be hedged in equivalent quantities of wheat, while there must be recognition under these conditions of the machinery for settlemen on termination dates of outstanding hedging contracts without the odium of labeling them as defaults and without apprehension of the possible severe penalty now provided in default rules. ... When Mr. Julius H. Barnes speaks all other grain men in the country, whether farmers, dealers or speculators, would do well to listen."

Live Stock

"A Lesson Learned" is the title of an editorial in The Breeder's Gazette for May 11, which says: "Again we remind the farming community that it is the stockman, not the grain-grower, that has been the first to 'come back.' Not all have arrived yet. That is very true, but the western lamb feeders, recovered themselves in record time. Farmers who were wise enough to stay by their hogs have been cashing in good profits now for months; and the cattle have not done so badly either. In fact, the live-stock market has been the one great steadying factor in the western financial situation ever since the great corn crop of 1921 was gathered. It was the man who was caught badly over-extended when the crash came that lost the savings of a lifetime. Those who had studiously avoided the evils of over-speculation, those who did not make too free use of their credit, are the ones who came through. In the light of what has happened during the past two years, the one great lesson impressed has been the infinite folly of 'plunging' in a period of inflation upon borrowed capital; the dangers involved in placing one's self at the mercy of someone else. 'Too much credit,' rather than too much difficulty in borrowing, tells the story of many a failure."

Live-Stock Marketing

The National Provisioner for May 13 says: "Packers buying live stock through cooperative selling agencies are confronted with a situation which requires early attention. This is the need for a proper guaranty of title such as is obtained from old line companies. The so-called standard or old-line commission firms representing live-stock producers and shippers have been required under a long line of ruling court decisions to guarantee title to the stock sold. This principle, however, has not been held to apply in the case of cooperative agencies, where a different relation between owner and seller exists. The practice of selling live stock through cooperative or owners' commission concerns is one that is growing. This is especially true in recent months, when a number of firms have been established at many of the great markets. There has been no charge that packers have not patronized these concerns fairly, and the producers admit that packers' patronage has been all that could be reasonably asked. Several cases have arisen recently where the matter of title guaranty has been raised, and the suggestion has been made that the cooperative selling agencies should file with the proper authorities a suitable bond guaranteeing title, the same as is done by the old line companies at established markets. The live-stock exchanges afford an excellent medium for the filing and acceptance of bonds by member concerns. The cooperative commission firms, while not members of the established exchanges, could doubtless file a bond that is acceptable to the Secretary of Agriculture, and one which would amply protect purchasers of live stock. ... "

Section 3.

Department of Agriculture

In an editorial entitled "Sustaining the Packer Act," The National Provisioner for May 13 says: "Since the decision was handed down the live-stock commission interests have announced that, their doubts being satisfied, they are ready to give the law hearty support. Thus all is harmony, as it should be. But it is disappointing to observe that the unfounded accusations against the packing industry, and the general misapprehension concerning it, have permeated even to the Supreme Court of the United States, and that an important constitutional decision has been colored by and made the occasion for the rehearsing of unjust charges."

Section 4.

Farm Products

May 19: Chicago May wheat steady early but turned weak toward last and led general decline. Chicago July wheat closed lower at $1.24 3/8; Chicago July corn lower at 64 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.40; No. 2 hard winter wheat $1.40; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Iowa about 68 1/2¢; No. 1 dark northern wheat in central North Dakota $1.38 1/2; No. 2 hard winter wheat in central Kansas $1.22.

Chicago hog prices steady to strong, bulk of sales $10.55 to $10.95. Beef steers steady to strong, medium and good grades $7.75 to $8.85. Butcher cows and heifers steady to strong at $4.85 to $8.50. Light and medium weight veal calves steady at $7.50 to $10.00. Spring lambs up 25¢, fat lambs $10.00 to $12.75.

Old potatoes slow and slightly weaker, 65¢ to 75¢ f.o.b. Maine shipping points. Florida Spaulding Rose stronger in most eastern markets at $5 to $6 per bbl. South Carolina Irish Cobblers stronger at $4.75 to $5.50. Northern type sweet potatoes steady in New York at $2.25 to $2.50 per bu; down 25¢ in Chicago at $1.75 to $2. Virginia and Maryland strawberries generally 15¢ to 20¢ per qt. Florida tomatoes up 25¢ in New York at $4.00 to $4.25 for best sizes. Market for timothy hay continues firm with an active demand for better grades. Receipts light; reports of country loading indicate a continued light movement. Wheat millfeed slightly firmer after severe decline. Eastern demand improved for spot feed. Future shipments dull. Butter markets easy and the tone is very sensitive. Cheese markets firm.

Spot cotton down 3 points, closing at 19.77¢ per lb. New York May futures down 18 points, closing at 21.20¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 19	May 18	May 19, 1921
20 Industrials	94.80	93.91	76.06
20 R.R. stocks	85.28	84.41	76.07

(Wall St. Jour., May 20.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 44. Section 1. May 22, 1922.

President Asks Rail Rate Cut

Request was made by President Harding, at a conference with nineteen of the leading railroad executives of the country at the White House May 20, for the cooperation of the larger railroads of the country with the Interstate Commerce Commission in voluntary reductions of railroad rates. An agreement was reached for the creation of a special committee to take up the matter further. (Press, May 21.)

The New York Times to-day says: "After a three hour conference May 21, the nineteen railway executives, who met at the White House May 20 and obtained the administration's views on the desirability of voluntary rate reductions, failed to reach a definite understanding. ... It appeared that the executives were not in agreement as to the advisability of voluntarily accepting heavy rate cuts, unless they were assured that wage reductions would be permitted at this time by the Railroad Labor Board.

Edison and Muscle Shoals

Thomas A. Edison was understood to have told the Senate Committee on Agriculture and Forestry, May 20, he was convinced that fertilizer could be manufactured at Muscle Shoals more cheaply than was being done now by any fertilizer companies or could be done by any of the existing methods. Committee members also said the inventor gave them valuable information regarding rich deposits of potash, limestone and other minerals, which, he said, existed in the Muscle Shoals territory and had stated that the project should be developed beyond question. He also was said to have discussed with intimacy the various processes used in fixing nitrogen from the air and in the manufacture of fertilizer ingredients. (Wash. Post, May 21.)

Farm Blocs for States

The American Farm Bureau Federation announces that many states are forming agricultural blocs to function in State legislatures, similarly to the big bloc in Congress, "which has captured the imagination and interest of all America as a very practical method of obtaining economic and political justice, not only for the farmer but for the entire population..." (Chicago dispatch to Phila. Ledger, May 22.)

Julius Barnes

The Philadelphia Public Ledger May 20 says: "Mr. Barnes's elevation to the leadership of the foremost national business organization is a significant recognition of the fact that agriculture, with which he is so conspicuously identified, is a vital branch of commerce. Also it may be the forging of a close link between the farm element and big business so traditionally looked upon as irreconcilable foes."

Section 2.

Banking and Agriculture

A declaration of principles on business and legislative conditions by the executive council of the American Bankers Association, which it believes "will make for progress, prosperity and happiness of the American people," is announced to-day. They are, in part, as follows: "Recognizing agriculture as a basic industry of the Nation and that full prosperity can not be restored until the farming class becomes prosperous, and knowing that the farmer suffered greatly from the world depression, we hereby pledge ourselves to favor any economically sound measure that may be devised to finance the needs of the farmer for the promotion of the orderly marketing of farm products. The council reiterates its firm belief that the Government should not enter into competition with private business interests and should refrain from enacting class legislation; but, realizing that an emergency did exist in the agricultural and live-stock industries which was met by the extension of the War Finance Corporation, which at present has large loans outstanding, we favor the temporary continuance of said War Finance Corporation." (Press statement of A.B.A., May 22.)

Farmers and Ship Subsidy

Washington correspondence in The Wisconsin Agriculturist for May 20 says: "Agriculture has come out definitely in support of the ship subsidy. This is a complete reversal of the farmers' former position on this matter, but a careful analysis of existing conditions in the shipping world leaves no other logical position to take, if one is far sighted and has an eye to the future. Every other nation of any maritime consequence subsidizes in one form or another, and it is either up to us to meet this competition or see our 1,600 new steel vessels rust away. The other fellows may carry our products for us cheaper to-day than we can carry them for ourselves, but the minute we or any of the large European nations get into war we find ourselves without ships. It seems wise to own at least a part of our own delivery wagons."

French Food Costs

The problem of continued high cost of living and the inability of consumers to benefit from lower prices for agricultural products were brought to the attention of the French Government May 19 by a delegation representing 4,500 farm organizations composed of 1,000,000 farmers. The delegation showed that the prices of many kinds of foodstuffs had dropped 40 per cent within the past year at the point of production, but that these reductions never reached the consuming public. The farmers demand relief from the protective tariff on various commodities imported for agricultural purposes, saying French farming interests are being threatened with ruin. (Assoc. Press, May 20.)

Meat Packing Educational Institution

Announcement was made to-day that the Institute of American Meat Packers has under official consideration a development plan submitted by Thomas E. Wilson which proposes the creation at Chicago of a great national educational institution, offering specialized collegiate instruction to young men intending to enter the packing industry and extension and correspondence courses to men already engaged in the industry; a technical research institute, and an industrial museum. (Press statement May 22.)

Oil Tariff

Wallaces' Farmer for May 19 says in an editorial: "The Senate tariff bill which is now up for discussion provides for a tariff of 3 to 4 cents a pound on such vegetable oils as cocoanut oil, soy bean oil, etc. It is provided, however, that in case these oils are used for the making of soap, or other non-edible purposes, that they can come in free. This means that we shall import into the United States every year free of tariff charges several hundred million pounds of cocoanut oil and soy bean oil -- or two or three times as much as we imported of these oils previous to the war. During the war, when Germany, England and Holland lost their grip on the cheap tropical oil trade of the Orient, the American soap manufacturers stepped in. And now they are using about three times as much cocoanut oil and soy bean oil in the manufacture of soap as they did before the war. The cocoanut oil and soy bean oil is being substituted in soap manufacture for home-grown oils and fats, such as tallow, lard, cottonseed oil, corn oil, etc. The United States can produce her own fats. We don't want to make the mistake of Germany and build up an agriculture which in time of war can not be rapidly modified to furnish our full supplies of fats at home. Our soap manufacturers should be taught again to depend as largely on the fats and oils coming from American farms as they did before the war. It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for non-edible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils. As a matter of fact, there is enough cocoanut oil coming in free from the Philippine Islands every year to supply the demand for edible fats and oils. Even more important than the tariff on hides is the tariff on tropical oils used for soap purposes. Such a tariff will be a very real benefit to the farmers of the cotton south, the corn belt, and the cattle country of the West."

Potash Tax

"Maine farmers, especially those in Aroostook County, are up in arms against the proposed potash tax. The Aroostook potato growers' association is properly waging a vigorous warfare against the potash tariff proposal in the Fordney bill and is furnishing Senator Hale in Congress with all the information and assistance possible. It says that in 1920 there were 7,654,239 tons of fertilizer sold in the United States, of which 156,000 were used in Maine, the majority for potatoes. It is figured that in Aroostook county alone the proposed potash tax would be a burden of $525,000 to farmers." (N.E. Homestead, May 13.)

Production

"Over at Atlantic City, where the National Association of Manufacturers was in session, that exponent of economic philosophy, J.R. Howard of the A.F.B.F., discussed business revival pathology with the assurance of the accomplished veteran. The Nation has a right, he said, to expect ample and efficient production by the farmer in order that foods and fibres be plenty and cheap, which is true enough; but he could not resist repetition of the old fallacy that while the farmer can not stop production, or hoard his products, 'You, manufacturers, on the other hand, can not only close your factories but most of you can, with the consent of your banks, hold for better market conditions.' This involves so much of fallacy, and is so frequently relied upon by Mr. Howard and other pathologists of agricultural distress, to make a point, that the writer of the

monthly Review of Economic Conditions, published by the National City Bank of New York, in his May article, had found it expedient to refute it in advance of Mr. Howard's repetition of it. Curtailment of industrial production does take place of course but not as Mr. Howard conceives. The flow of products to market can not cease because it may be unprofitable. It is necessary for a manufacturer to have funds to meet his expenses. If sales fall off working capital is soon tied up in stock on hand and operations must be curtailed for want of means to continue them." (Price Current Grain-Reporter, May 17.)

Wheat Marketing in Canada — Passage of an act creating a national wheat marketing agency with powers similar to those of the Canada Wheat Board of 1919, to become effective when two or more of the provinces have conferred upon the body powers possessed by the former board, was recommended to Parliament May 17 by the Canadian House Committee on Agriculture. (Press, May 18.)

Wool Marketing — 1. "Wool Pools for 1922" is the title of an editorial in Wallaces' Farmer for May 19, which says: "Many farmers who pooled their wool in 1920, and later saw the pooled wool sell for 10 or 15 cents a pound less than the price prevailing at the time the pool was formed, became disgusted with wool pools. The situation is now reversed, and we believe that the men who enter pools in 1922 will benefit as much as the wool poolers in 1920 lost. The situation in 1922 is fundammetally favorable to higher wool prices. The abnormal stocks which existed a year or so ago have been in a large measure cleaned up. Prospects are for a heavy permanent tariff on imported wools, the spring clip in the United States this year is somewhat less than usual, and it is probable that the people of the United States will demand much more wool this coming year than they have the past year. It is an unusually favorable time either to join a wool pool or to hold wool on the farm for higher prices."

2. "Wool producers are seeking a law to compel mills to stamp every yard of cloth, indicating whether it is pure virgin wool, or whether it contains shoddy. So far they have succeeded in getting little action out of Congress. Down in Michigan, farmers have gone to work on their own behalf. They have leased a mill and have made up their wool into clothing, blankets, bats, etc., and have sold them in competition with other manufacturers. They have helped to reduce the price of clothing, and when wool was selling for 12 cents to 18 cents a pound -- and not selling very fast at that -- they got 50 cents a pound net for their wool. Sheep men in North Carolina adopted a similar plan. They got a blanket mill to make their wool into blankets, took the blankets themselves and sold them to others. Wyoming wool men did the same thing, and are selling virgin wool fabrics in cloth and blankets for less money than is being asked for shoddy products, and thereby are getting more for their wool. The difficulty with all these folks has been lack of advertising and salesmanship. Let them but start manufacturing on a large scale or get some manufacturer to make for them fabrics with a guarantee woven into the selvage, advertise this brand and very soon other manufacturers would come to time. Every buyer or woolens would be

looking for the trade mark: 'Guaranteed All Pure Virgin American Wool, United States Wool Growers' Association, Inc.' A Wyoming man showed some of his cloth to a friend on the Chicago live stock exchange, and within a very short time had taken orders for $8,000. worth of cloth and blankets. Let the wool men adopt business principles, do some advertising, and they will not need any law."

Section 3.

Department of Agriculture

1. "The secret of the Department of Agriculture ruling on the spring wheat grades is explained by the official communication on the subject appearing on another page. It is very interesting. It is a variant in the old-time defenses of the uniform standard grades. It is certain enough that this laudable and truly benevolently influenced effort of the department to be a friend in disguise to the wheat farmer of North Dakota will not be relished so keenly as some of our old friend Jacobson's buncombe has been; but if it will have started the Dakota wheat grower on his way to better farming, it will do more than the standard wheat grades have done in the past, in spite of their theoretical walloping of slouchy wheat growing and shipping with heavy dockage. The department's intentions are strictly honorable, but will the North Dakotan believe it? Or will he have to be taught good farming and marketing by the penaly-to-his-purse route? In the meantime, Prof. Coulter, one of the expert professors employed by the department to investigate the action of the grades, might be benefited by some primary instruction in practical commercial grain grading, as well as in common courtesy to his employers, now that it is all over." (Price Current-Grain Reporter, May 17.)

2. "When the last administration, early in its career, began exploiting its socialistic ideals in the preliminary and tentative form of local cooperation, so called, the limitations of the law were ignored and the county agents, if not directly encouraged to act as propagandists, were at least not discouraged or checked when they extended their activities to promote marketing experiments and to act as sales agents; and it is notorious that in the fervor of their partisanship, further stimulated by the pay they received, in addition to their official salary from the Government, from the counties and the Farm Bureaus, they soon largely forgot their legal status as teachers of practical agriculture to become propagandists and salesmen. The distance which they have traveled as sales agents is well illustrated by a circular lately received at this office, advertising the '1922 County Agent Directory,' which is described as 'the connecting link between your business and millions of farmers and their families; let us help you "weld the link; it will mean bigger business for you." ' This is the fourth edition of this 'indispensable work.' It is encouraging to note that the present administration of the Department of Agriculture has lately shown a disposition to listen to the justifiable complaints of numerous men who pay the taxes which keep the county agents going, that these mercantile activities are entirely outside the law, and constitute an unfair abuse of privilege in distinct violation of law. It is to be hoped the department will go the full length of its duty to absolutely forbid continuance of such activities by any county agent paid Government money. ... " (Price Current-Grain Reporter, May 17.)

Section 4.

MARKET QUOTATIONS

Farm Products

May 20: Chicago wheat prices broke on account larger receipts than expected, with reports of 300,000 bushels wheat brought at Missouri River points for movement to Chicago. Chicago July wheat lower at $1.23 5/8; Chicago July corn unchanged at 64 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.36; No. 2 hard winter wheat $1.36; No. 2 mixed corn 62¢; No. 2 yellow corn 63¢; No. 3 white oats 40¢. Average farm prices: No. 2 mixed corn in central Iowa 48 1/2¢; No. 1 dark northern wheat in central North Dakota $1.36; No. 2 hard winter wheat in central Kansas $1.18.

Chicago hog prices steady to strong, bulk of sales $10.50 to $10.95. Cattle, sheep and lamb prices practically unchanged; medium and good beef steers $7.75 to $8.85; Butcher cows and heifers $4.85 to $8.50; feeder steers $6.25 to $7.85; light and medium weight veal calves $7.50 to $10.00; fat lambs $10.00 to $12.75.

Old potatoes slightly stronger, up 5¢ at Minnesota shipping points at $1.25 to $1.30. Florida Spaulding Rose stronger in most eastern markets at $5.25 to $6.25 per bbl. South Carolina Bliss Triumphs higher in most markets ranging from $5.00 to $5.50. Texas yellow onions, standard crates, up 10¢ in most markets at $1.50 to $1.85. Virginia and Maryland strawberries generally 16¢ to 20¢ qt. basis. California Iceberg lettuce in New York $2.75 to $3.00 per crate.

Spot cotton down 18 points, closing at 19.59¢ per lb. New York May futures unchanged at 21.20¢.

Only strength in wheat market during week was on 16th followed by continued decline account lack of expert demand and profit taking. Chicago July wheat down 1 1/2¢, closing at $1.23 5/8; Chicago July corn up 1/4¢ at 64 1/4¢.

Northern round white potatoes firm in Chicago carlot market, closing at $1.50 to $1.60. Florida Spaulding Rose up 25¢ in most markets at $5.25 to $6.25 per bbl.

Texas yellow onions standard crates down 65¢ at $1.50 to $1.85 in most northern markets. Virginia and Maryland strawberries slightly stronger in northern markets. Tennessee Klondikes up 50¢ in Chicago at $2.50 to $3 per 24-qt. crate. Florida tomatoes best sixes up $1 to $1.25 in New York at $4.25 to $4.50. First cars of Georgia peaches fair quality jobbed in New York at $5 to $5.50 per crate.

Chicago prices of medium and heavy weight hogs advanced 20 to 40¢. Beef steers up 10 to 15¢, butcher cows and heifers practically steady; veal calves 25¢ higher, stockers and feeders unchanged. Fat sheep mostly 75¢ to $1 lower; spring lambs 50 to 75¢ lower; yearlings 75¢ to $1.25 and ewes 75¢ to $1 down. Eastern wholesale fresh meat prices continued on their downward course.

Market for timothy hay continues firm with an active demand for better grades. Receipts light and reports of country loading indicate a continued light movement.

Wheat millfeed slightly firmer after severe decline. Eastern demand improved for spot feed, but offerings are accumulating in southwestern markets.

Butter markets easy at close. The tone is very sensitive on account of seasonal influences. Spot cotton advanced 77 points. May futures at New York advanced 136 points. (Prep. by Bur. of Mkts & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 45. Section 1. May 23, 1922.

Rail Rates

Seven railroad executives, representing the group of nineteen that participated in the White House conference May 20, at which President Harding asked voluntary action by the railroads in certain rate reductions, May 22 held a two-hour session with the members of the Interstate Commerce Commission. This session is regarded as the first step toward possible compliance with the President's request. (Press, May 23.)

A dispatch from Ottawa to The Philadelphia Ledger to-day says: "E.W. Beatty, Canadian Pacific Railway head, says his company is prepared to reduce freight rates on its lines with the approval of the Railway Commission. He says the company is willing to cut rates at once, but that, because of loss of revenue, it could be done only in anticipation of substantial additional reductions in operating costs."

Immigration Legislation for Farmers

An amendment to the immigration law which would exempt farmer immigrants from the 3 per cent restriction was proposed in the House May 22 by Representative Steenerson. (Press, May 23)

River-Harbor Bill Passed

The Dempsey bill, authorizing improvements for rivers and harbors, was passed May 22 by the House. Although the bill authorizes work amounting to nearly $40,000,000, there is no assurance that the Appropriations Committee will recommend the expenditure of that sum. (Press, May 23.)

Congressional Blocs

The New York Times to-day says in an editorial: "Out of the Chicago lair of the daddy of the 'farm bloc' comes word that 'farm blocs' are forming in many states to function in the state legislatures. Exactly. What else was to be expected? The 'bloc' idea is the latest of our political fads and class-minded cure-alls. We have had 'em before by other names and by no names at all, backing other causes less worthy than agriculture. We did not so name them, but we have cherished our wet and dry 'blocs' and our labor and tariff 'blocs.' All these we have still, and to these have been added the 'farm bloc' and the 'bonus bloc,' with a 'woman's bloc' showing in the offing. The embattled representatives from the cow, corn, cotton, wheat and hog countries have kicked up a lot of dust in Washington. They are not going so good now as they were when Senator Kenyon was riding herd, before Senator Capper took the reins and manned the plow handles. Nevertheless they wrote a considerable number of new laws on the Federal Statutes and have had their pitchfork tines deep in almost everything that Congress has brewed or tried to brew since early April, 1921. ... "

Section 2.

Agricultural Research

H.W. Moorhouse, director of the research department of the American Farm Bureau Federation, announces that Theodore H. Macklin, professor of agricultural economics at the University of Wisconsin, will have charge of the bureau's research scholarships in cooperative marketing in dairy products. Professor Macklin's appointment and the entire scholarship plan has been approved by the department's advisory committee. (A.F.B.F. Weekly News Letter, May 18.)

Cooperation in Nebraska

"Cooperation has made rapid progress in Nebraska since 1913. ... According to the recent survey of the cooperative companies in the State, made by the State Department of Agriculture of Nebraska, there were forty cooperative associations organized in the State before 1913 and since that time the number has increased until there are now 645 cooperative companies. The survey was made of 230 companies, including 122 elevators, fifty-nine stores, five creameries, two lumber yards, forty-one combination companies and one telephone company. The total business transacted by these concerns for the year 1921 amounted to $39,882,512. Had complete returns been available upon all of the 645 companies the volume of business would have been an enormous one. It is interesting to note that 173 of the 230 companies surveyed had all four of the distinctive cooperative features -- patronage dividends, fixed return on capital stock, limited share ownership, and the one-man-one-vote clause. These are the essential foundation rocks on which true cooperation is built." (Nebraska Farmer, May 20.)

Cotton

Falling production and increased consumption of cotton are causing concern as to the supply of the staple. The world cotton crop decreased last year 6,000,000 bales and consumption increased 4,000,000 bales, according to the figures which are causing British brokers deep anxiety. The American Farm Bureau Federation has queried its state units in the cotton belt regarding the situation and finds that although rains and cold weather have retarded planting, there is no fear of a famine. (A.F.B.F. Weekly News Letter, May 18.)

Cotton Prices

A London dispatch to The New York Times of May 22 says: "In the British cotton trade belief prevails that unfavorable crop news from your country has been pretty well discounted for the present. The cotton market is, however, very nervous and unsettled and erratic fluctuations are likely to continue for some time. As the spinning community sees the case, the rise in raw cotton has had something to do with the trade's increased demand for it; but spinners and manufacturers are not yet strong enough to keep pace with any considerable upward movement. Their business, however, is undoubtedly broadening out and spinners are purchasing freely to cover sales of yarn, besides replenishing depleted stocks. On the whole, the trade is looking forward hopefully to the future; an attitude which explains to at least some extent not only our own increasing imports of cotton, but those of Continental Europe."

Dairy Cooperatives

A.F.B.F. Weekly News Letter for May 18 contains a list showing the number of cooperative creameries and cheese factories in various states, as compiled by E.B. Heaton, secretary, Farmers' Dairy Marketing Committee of Eleven.

Farm Census Figures

Basing an editorial on the recently issued figures of the Bureau of the Census, World's Work for June says: "These figures suggest anew the agricultural status of the country. Texas and Georgia in cotton; Ohio, Illinois, Missouri, Kansas, and Iowa in corn; Nebraska and Minnesota in wheat; California in fruits -- these are the backbone of agricultural America. Add to these the two States that lead in live-stock products -- New York and Wisconsin -- and the picture is fairly complete. Among the first ten in live-stock products are six States that lead in the other two lists -- Ohio, Illinois, Iowa, Michigan, Missouri, and California."

Farm Products

Basing an editorial on the department's report on the value of vegetables and fruit raised last year, The Wall Street Journal for May 22 says: "So when the Department of Agriculture speaks of spinach, beets or onions it is no longer talking in terms of market-basket trifles, but in millions, and even billions. If history were correctly understood it would not be written as a mere recital of battles fought and won. It would record, rather, the economic struggles of the people, and would begin at the soil -- the production of food and textiles. The rise to wealth, power and population depends, in the first instance, upon the production of food, even though a nation may later swing into the industrial class and support itself by trade. Yet, the producer of food must always have an advantage over the purely industrialized. The historian of the future may trace some of the progress of the American people to its vegetables and garden truck. Time was when the American was the greatest per capita consumer of meat and wheat, but lately he has handed the distinction of the former to the Australian and the latter to the Belgians and the French. The reason is that we now have a wider variety of vegetables and fruits of any other country on earth, ranging from north temperate to sub-tropical. Splendid transportation facilities give the individual the benefit of all these varieties of climate, with a diet so wide that only wealth could afford it in less favored countries. Here is the foundation of the rapid increase in population, wealth and power and of the very stamina and character of the people."

Federal Reserve Board

"Indications at the White House are now said to point to the non-renewal of the term of office of Governor W.P.G. Harding. The President, it is said, 'will appoint just as many Republicans who may be expected to sympathize with the efforts of the majority party as he can possibly.' What does this statement mean as applied to banking? The efforts of the majority party in that field have thus far been largely limited to the 'renewal' of the War Finance Corporation, which has set itself to distribute largess to the farmers, and to the initiation of legislation of which the 'dirt farmer' bill is a type. Now it is desired to appoint a man whose sympathy is with the majority party but of whose ability and capacity in connection with our banking system nothing is said. ... This is a most unfortunate situation for the country, particularly for the banking system of the country. Must we pass through the same experience in our banking system that has been suffered in other branches of administration where politics has superseded efficiency?" (Jour. of Commerce, May 22.)

Live-Stock Marketing

The Producers' Commission Association, the second farmer-owned commission house to be established under the auspices of the National Live Stock Producers' Association, opened for business at Indianapolis May 15. (A.F.B.F. Weekly News Letter, May 18.)

Milk Marketing

The Illinois Agricultural Association, the Wisconsin Farm Bureau Federation, the Indiana Federation of Farmers' Associations, and the Milk Producers' Cooperative Marketing Company have approved the plan of the Committee of Nine on Chicago Dairy Marketing appointed by E.B. Heaton of the American Farm Bureau Federation. At the farm bureau meeting in Chicago on May 12 the plan was outlined in detail by the committee's chairman, C.V. Gregory. The basis of the committee's plan is that the milk producer is entitled to half of the price which the consumer pays for milk; in the Chicago territory he now gets 30 per cent. The plan provides for the reorganization of the Milk Producers' Cooperative Marketing Company. The new contract must have 6,000 signers by September 1, 1922. The Farm Bureau will secure these. (A.F.B.F. Weekly News Letter, May 18.)

Prices

Trade Record of the National City Bank of New York for May 22 says: "An upward trend in price movement is now distinctly visible the world over. There are several ways by which we may test the matter of prices at the present moment as compared with those of a month or a year ago, but these various tests agree that prices at the present moment are higher than they were one month ago and in some cases several months ago."

Roads

"A Foundation for Good Roads" is the title of an editorial in The World's Work for June, based upon the work in Illinois. This says in part: "When the people of Illinois, in November 1918, voted $60,000,000 for improved roads, that meant, with Federal funds available, that possibly $100,000,000 would be spent for road construction in that State. The superintendent of highways and the chief highway engineer then wisely decided to undertake some scientific experiments in road building in order to eliminate guess work in the expenditure of that sum. These experiments are now nearing completion, and according to the chief highway engineer they have enabled them to design pavements having practically double the strength of the designs used in the past and yet at a saving in cost of approximately $1,500 per mile. They should also result in better roads elsewhere. ... Many of our improved roads have lost their effectiveness from lack of maintenance. It is now recognized as an item that should be taken into account in any road building program. The Federal Government, as a condition to allotting funds for the building of roads in the various states, now makes the states agree to inspect regularly and maintain adequately the roads built. Any provision in the building that reduces the cost of maintenance is a great saving."

Wool Marketing

"Wool amounting to 22,298,856 pounds was sold cooperatively through state pools last year by 45,246 growers at an average net price per pound to the grower of 20.7 cents, resulting in a total increase of more than $1,000,000 above the price that could have been obtained locally had the farmers sold as individuals. This is strong evidence in favor of cooperative wool marketing and it is gratifying to know that Nebraska growers at a recent meeting in Grand Island decided to form a State pool for marketing the 1922 wool crop. ... It is planned to handle the Nebraska wool by county farm bureau committees and to pool it at some large market where it can be added to pools of other states and thus make a more attractive lot for big

buyers. ... There is no question that wool growers will find it profitable to enter these pools, not only because of the chances for a greater price for their products, but also because of the opportunity to learn more about wool grades, and the valuable lesson in cooperation that it teaches as a further example of the success with which farmers can market their own products." (Nebraska Farmer, May 20.)

Section 3.

MARKET QUOTATIONS.

Farm Products

May 22: Large wheat receipts at Chicago, Kansas City and Omaha; generally favorable weather conditions; liquidation, and local bearish sentiment caused further decline in May wheat and weakness in corn and oats, but July wheat firm with narrower spread between May and July. Chicago July wheat same at $1.23 5/8; Chicago July corn lower at 64¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.33; No. 2 hard winter wheat $1.33; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 48 1/2¢; No. 1 dark northern wheat in central North Dakota $1.32 1/2; No. 2 hard winter wheat in central Kansas $1.15.

Hog prices down 25 to 40¢, bulk of sales $10.25 to $10.75. Medium and good beef steers lower at $7.65 to $8.75; butcher cows and heifers steady at $4.75 to $8.50; light and medium weight veal calves down 25¢ at $7.50 to $9.75; fat lambs steady to 25¢ higher at $10.25 to $13.10.

Potato markets slow and dull. Northern Round Whites steady in Chicago at $1.50-$1.60 per 100 lbs sacked; firm at North Central f.o.b. shipping points at $1.25 to $1.35. Florida Spaulding Rose up 25¢ in eastern markets at $6.00 to $6.50 per bbl.

Florida Tom Watson watermelons, 22-28 lb. average $450 to $700 bulk per car in leading markets. Texas yellow Bermuda onions in standard crates slightly weaker at $1.75 to $2.00 in most eastern markets; slow and dull in Chicago at $1.50 to $1.75.

Choice grades of timothy scarce in most markets. Lower grades constituted bulk of receipts. Clovers and alfalfa in slow demand because of pasturage and nearness of new hay in Southwest. Wheat mill-feed market strengthened slightly. Country buying light. Production also light. High protein feeds inactive, scarcely enough business to establish a market.

Butter markets firm. Arrival of full grass butter has stimulate interest in storage. Cheese markets firm. Interest now entirely on fresh cheese.

Spot cotton up 29 points, closing at 18.88¢ per lb. New York May futures up 33 points at 21.53¢. (Prepared by Bur. Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 22	May 20	May 22, 1921
20 Industrials	94.86	94.65	75.86
20 R.R. stocks	86.17	86.13	71.83

(Wall St. Jour., May 23.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 46. Section 1. May 24, 1922.

Farm Credit Legislation

Another bill be Senator Harris designed to aid farmers in securing credit, was passed by the Senate and sent to the House May 23. It broadens the Government Warehouse Act by authorizing the Department of Agriculture to extend the list of farm commodities which may be stored in Government licensed warehouses and also to classify stored products. (Press, May 24.)

House Farm Bloc Adds One to Reserve Board

Holding the balance of power, the farm bloc in the House May 23 turned down its own committee's recommendation and put through the Senate bill providing for eight instead of seven members of the Federal Reserve Board so as to assure agricultural interests. Changes in the Senate bill, as reported by Chairman McFadden, of the Committee on Banking and Currency, were voted down as rapidly as presented. Failing to hold the board membership down to its present size, Mr. McFadden sought to put through an amendment providing that at least two of the members to be appointed by the President should be experienced in banking and finance, but it was defeated. The House also defeated an amendment by Representative London stipulating that one member should represent labor. (Press, May 24.)

Rail Rates

The Washington Post to-day says: "Many changes in the transportation act of 1920, which created the Railway Labor Board and terminated Federal control of the railroads, are vitally necessary if reduced freight rates are to be had, President Harding believes. This information was given out at the White House yesterday after the Cabinet had discussed at some length the difficulties in the way of reduced freight rates. The President believes, it is understood, that the Railway Labor Board, which under the law is located in Chicago, ought to be brought from that city to Washington, where there could be some point of contact between those who fix the rates of wages and those empowered to establish the cost of transportation."

A Chicago dispatch to The Philadelphia Public Ledger to-day says: "Eastern advices that railroad executives had decided upon a 10 per cent reduction July 1 were received with credulous surprise, because not more than 6 per cent had been expected. Labor Board members do not admit that they have been under any unusual pressure to speed up, but they have been working officially seven hours daily, and recently held several executive sessions."

Fertilizer Legislation

F. L. Dawes, of the Federal Trade Commission, May 23 told the Senate Committee on Agriculture charges that the "fertilizer trust" controlled prices were largely without substance. (Press, May 24.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 18 to May 20, inclusive, it approved 23 advances, aggregating $985,000 for agricultural and live-stock purposes in 13 States. During the week ending May 20, the corporation approved a total of 78 advances, aggregating $3,283,000. (W.F.C. press statement, May 22.)

Agricultural Instruction

An editorial in The Pacific Dairy Review for May 11 says: "Comprehensive plans have been adopted for the improvement and extension of facilities for agricultural instruction and research at the University Farm at Davis. ... We have never doubted but that when California once got started with a foundation for an agricultural institution right out in the country and in agricultural atmosphere that it was bound to forge ahead to big things and the new plans clearly indicate that this is the purpose of those who conduct its affairs. Incidentally we are delighted to note in these announcements that evidently a change has been made in the title of the Davis institution, which is referred to as the 'Branch Agricultural College.' Some day it will not be a 'branch' -- it will be the 'Agricultural College of California.' ... It is advancing splendidly toward its ultimate destiny, which is one of the big institutions of agricultural education and research in the world."

Butter

"The National Creamery Buttermakers' Association announces a competition on cold storage butter in connection with its annual convention at St.Paul this fall. Entries are invited from members and the butter will be scored on June 26, then placed in storage and be scored again when the convention takes place in October. ... It has been demonstrated that butter can be so made that it deteriorates very little on holding. The butter packed for the United States Navy furnishes a good example. Our competitors in Denmark and Australia have put it completely over us when it comes to making butter of keeping quality. On the average their butter deteriorates less on a long trip to this country than ours does in the week that it takes it to get into the hands of consumers. It does not require such a great amount of skill to churn a batch of cream, salt and work the butter. It is invariably good when it comes from the churn. But to make butter that will keep its flavor and aroma for six months is the job of a real expert." (Pacific Dairy Review, May 11.)

Farm Mortgages

Basing an editorial on farm mortgages upon estimates made by the Department of Agriculture, Commercial West for May 20 says: "Investors have discovered uncertainties in the returns from other lines of securities formerly looked upon with favor, and are giving their attention to farm mortgages. In fact, farm mortgages must be accorded a place among the most substantial securities that can now be had. The advantages of this form of investment are manifold. There is little doubt as to the future of agriculture. It is a nation's basic industry. Land, itself, is the world's greatest asset. There may be inflation of land values but land mortgages seldom lack sufficient security. In fact there can generally be found behind them a greater percentage of assets than there is behind industrial stocks and bonds. History of farm mortgages in the West and Northwest shows few failures in the payment of interest and principal; there may even be foreclosures, but there always exist sufficient assets not alone

to protect the mortgage holders but to leave a surplus. In the Northwest, particularly in North Dakota and Montana, farmers are adopting new methods, are ceasing to be merely grain growers and are becoming diversified farmers, carrying on dairying and stock growing in its different branches, thus assuring a certain income year after year. This new movement in the Northwest makes sure the payment of interest upon mortgages. It makes the farm mortgages an even better investment than it has been in the past. Investors are quick to realize the trend of affairs, and farm mortgages once more are becoming recognized as about on a par, insofar as safety is concerned, with Government and state bonds, and, as an income producer, better than either."

Filled Milk 1. " 'Oiled' milk will soon join the list of drinks prohibited in this country", said Charles W. Homan, secretary of the National Milk Producers' Federation, commenting on New Jersey's enactment of a pure milk law. He continued: "The New Jersey legislature's vote which was unanimous in the House and 18 to 2 in the Senate, followed by the prompt signing of the bill by the Governor, shows the pressure of mothers' and teachers' organizations there against the menace of this adulterated milk. Seven other States, Ohio, Wisconsin, Maryland, California, Colorado, Utah and Florida have passed laws against 'oiled' milk, and this may be considered as the beginning of a great national movement to purge the milk business of this evil. None of the old standard milk canners and evaporators will make the stuff. None of the great European relief associations will buy it, although they purchase millions of cases of canned milk and can buy 'oiled' milk much cheaper. This adulterated milk, so-called, must be prohibited if this Nation is to have healthy children." (Creamery Journal, May 15.)

2. "Reports continue to show a decided dullness in the condensed milk markets throughout the country and the industry is entering the new season with an outlook that is none too promising. The export demand is gradually declining and what is left of it consists largely of supplies sent to Europe for relief purposes. It is becoming apparent that this outlet will grow smaller with each succeeding month and this adds to the gloom that prevails in the condensing industry. To a great extent condensed milk is simply suffering from an over boom during the war and, like other industries of this kind, the inflation is going out and readjustment is taking place. But there is something else that has been, and still is, playing havoc in the milk condensing business and it is this that is not affording a great deal of sympathy for at least some of the condensers. We refer to those whose greed lead them to manufacturing a cheap substitute for condensed milk out of cocoanut oil and skim milk. What has happened to condensed milk recalls the old days of filled cheese, when this inferior and spurious product all but wrecked the cheese business of the country. Every can of filled condensed milk spoilt the sale of a can of the genuine article. But it did more -- it turned many consumers away from using condensed milk altogether. ... One way to help out the situation is to place the condensing industry back on a foundation of honesty." (Pacific Dairy Review, May 11.)

Section 3.

Department of Agriculture

1. The Florists' Exchange for May 20 says in an extended "Comment on the Conference": "As to the Conference as a whole -- what were its results and reactions? Can it be said to have succeeded? To answer this, we must first consider -- what were its real aims? What hopes of actual result hung upon it? First, it was desired that Secretary Wallace preside and hear the full arguments at first hand. Well, he did preside -- fairly, justly and most attentively. Second, it was desired that the conference be free, open and unrestricted as to scope, so far as the discussion of all phases of Qu. 37 were concerned. Well, it was -- with the single exception of the question of the legality of the whole quarantine. This fundamental issue, raised at the very opening of the session by J. Horace McFarland, speaking for amateur and scientific interests, was ruled by the Secretary to be a matter requiring consideration at a smaller, more informal conference. Such a conference, it may be assumed, will shortly be arranged, when new and interesting developments may come to light. Insofar as it was completed, therefore, the conference was free, open and unrestricted. And more results are yet to come. Third, it was desired to bring to the attention of the Secretary -- and that of the F.H.B. -- certain arguments, certain criticisms which, it was felt, had not theretofore reached their ears or, at least, had not been fully and completely presented to them. Well, this was done -- and so far as it is possible for certain individuals to interpret the mental reactions of others, it would seem that the Secretary, and perhaps even the Board itself, were impressed. ... Other constructive suggestions were made, and here again the feeling should be not one of disappointment that they were not adopted and promulgated at once, but rather one of satisfaction that they are live issues, commanding the attention of the Board and under the eye of the Secretary of Agriculture, upon which some definite action must be taken -- or adequate explanation given for any failure to act or express judgment. ...

"Perhaps the most remarkable statement made at any session was that of Dr. Marlatt, to the effect that not the relative danger of plant pest introduction, but the availability or probable availability of certain kinds of bulbs was the reason for their selection as material to be permitted entry under permit. Presumably this went unchallenged solely because Secretary Wallace was not at that moment present. For where in the letter or spirit of the act can authorization be found for any such selective distinction? ... It was a significant conference. First, because of the wide representation of interests; second, because of its wide open nature and broad scope; third, because of the facts presented and the direct charges brought against the present rulings; and fourth, because it 'started something' that obviously did not quiet down with the formal adjournment, but remains a live issue from which something definite must sooner or later result. The conference is over -- but its real achievements are yet to become apparent."

2. Commercial West for May 20 says in an editorial on the Supreme Court decision on the Future Trading Act: "It is hoped that this decision will put an end to the foolish attempts to controvert the laws of supply and demand, as amplified in grain exchange transactions, and also will end the attempts at coersion of boards of trade and chambers of commerce to grant recognition of so-called cooperative

concerns that have never had a part in building up legitimate grain trade but that hope to reap a benefit from the perfect organization and work accomplished by others. Senator Capper and his coworkers admit that the court decision is a complete knock-out blow, but they still have hopes of framing a law that will make possible the carrying out of their plans to place trading under license of the Secretary of Agriculture and incidentally prohibit hedging and other legitimate practices so essential in the marketing of the grain and the stabilization of the markets."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 23: Chicago wheat market opened higher and maintained strength throughout session, closing near top. Chicago July wheat higher at $1.26; Chicago July corn higher at 64 1/8¢. Export sales reported between 6000 and 7000 bushels wheat, including one cargo from Chicago via Montreal. Trading in corn light. Closing prices in Chicago cash market: No. 2 red winter wheat $1.38; No. 2 hard winter wheat $1.38; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 39¢. Average farm prices: No. 2 mixed corn in central Iowa 49¢; No. 1 dark northern wheat in central North Dakota $1.33 1/2; No. 2 hard winter wheat in central Kansas $1.15.

Chicago hog prices about steady, bulk of sales $10.15 to $10.65. Beef steers up 10 to 15¢; medium and good grades $7.75 to $8.75. Butcher cows and heifers $4.75 to $6.50. Light and medium weight veal calves up 25¢ at $7.50 to $10.00. Fat lambs firm to 25¢ higher at $10.50 to $13.35. Potato markets slow and dull for old stock. Round white up 8 to 10¢ at North Central shipping points at $1.30 to $1.45 per 100 lbs. sacked. Florida Spaulding Rose firm in eastern cities at $6.00 to $7.00 per bbl.

Texas yellow Bermuda onions firm at $1.75 to $2 per standard crate. Florida Tom Watson watermelons, 22-28 lbs. average, $575 to $750 bulk per car in leading markets, 70 to 75¢ unit basis in Boston.

Spot cotton down 15 points, closing at 19.73¢ per lb. New York May futures down 23 points, closing at 21.30¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 23	May 22	May 23, 1921
20 Industrials	94.66	94.86	74.43
20 R.R. stocks	86.12	86.17	71.26

(Wall St. Jour., May 24.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 47. Section 1. May 25, 1922.

Freight Rate Reduction

Railroad freight rates will be reduced on July 1 by amounts equal to 10 per cent of their present levels under a decision of the Interstate Commerce Commission announced yesterday. Practically all classes and commodities of traffic are affected by the decision which marked the conclusion of the investigation begun last autumn by the commission on its own initiative into the reasonableness of existing freight levels. Agricultural products in all sections of the country outside of New England, live stock and Western grain and grain products are the chief commodities excluded from the reduction, these comprising the freight classifications upon which reductions have been recently put into effect. On the statements of the commission that rail freight revenues in 1921 approximated $4,000,000,000, yesterday's decision will reduce the national freight bill by $400,000,000 per year. (Assoc. Press, May 25.)

Rate Reduction and Agricultural Products

In its editorial on the railway rate reduction, The New York Times to-day says: "The farmers get no further reduction for a reason worth particular attention. Speaking for the farmers, Secretary Wallace urged that agricultural rates 'should be reduced to a point at which they bear the same ratio to the price the farmer received for those products as prevailed before the war.' The commission agreed that the horizontal fixing of rates unequally affects differently priced commodities, but 'the needs of commerce can not be met if rates are to fluctuate with market prices of commodities.' Its conclusion was that 'reduction should be made generally upon all commodities in substantially equal ratio.' The reduction of specific commodity rates is a tedious and contentious proceeding."

Farmer on Reserve Board

The Senate May 24 concurred in the House amendments and completed legislative action on the bill authorizing the President to name an additional member of the Federal Reserve Board, who, it is understood, shall be representative of the agricultural interests. (Cong. Rec. May 24.)

Filled Milk Legislation

The House May 24 considered and passed the Voigt bill designed to prohibit the transportation in interstate commerce of filled milk. (Cong. Rec., May 24.)

International Loan Plans

Four tentative solutions of the international loan problem, with particular reference to Germany, were presented at Paris, May 24, at the meeting of the bankers' committee.

Section 2.

Agricultural Bloc

"Agrarian Politics" is the title of an editorial in The Journa of Commerce for May 23, which says: "The present activities of the so-called 'Farmers' Bloc' at Washington are ground for real apprehension, when viewed from the standpoint of effective national politics, for its aims are frankly in the interest of a class, and class and democracy are mutually contradictory terms. Doubtless the farmer has real 'grievances'. They deserve careful and sympathetic thought and redress by the people of this country. But the final ending of them never can come from mere partisan and selfish action either in Congress or elsewhere. Class favoritism will cause such a reaction that the beneficiaries will surely not retain their advantage in the long run. It would be dangerous to meet this 'bloc' by forming another bloc or blocs in opposition, whether by a business men's, 'Eastern,' or labor party or otherwise. That plan would crystallize and solidify the present farmers' bloc into a permanent agrarian party. It would seem better to meet the farmers half way, wherever possible. If they propose a measure of sound economic and political value this should have the support of the other interests in our country. But this opposition or aid should arise irrespective of its advocacy by the farmers or their allies, and only on the intrinsic good or evil of the specific measure. By this means it is probable the bloc gradually would disintegrate. It received a check on a recent tariff vote in the Senate, which would seem to indicate that it is not invulnerable. ... Everyone who is familiar with the course of politics in Continental Europe and elsewhere is well aware of the subversive and detrimental influence of which an agrarian party is capable. The farmer is apt to be first of all an individualist and extremely reactionary in his tendencies. But when he comes under the influence of more progressive leadership, as might be expected, he goes the entire way in the other direction and becomes the prey of unbalanced theorists or demagogues. This would seem to hold true everywhere, and recent political history gives numberless illustrations. Thus the farmers were the backbone of the junker and militaristic strength in imperial Germany, and gave the major political support to the extreme autocratic power that brought that country to the brink of ruin. The agrarian party is a disturbing influence in Spain, Switzerland and also in Austria and the other 'Succession States' to-day. In Bulgaria the peasant agricultural party is in complete control of the Government, and lives in comparative freedom and plenty, while the city dwellers are burdened by an almost overwhelming load of taxation. In fact there is a blind peasant dictatorship over both Austria and Bulgaria that is one of the great reasons for the extremely slow recovery those countries are making from the prostration of the war. It was the alliance of the farmer and labor elements in both Australia and New Zealand that carried through much of the radical legislation of the past two decades, and the farmers now are showing signs of decided weariness of the alliance and disillusionment as to its supposed political and economic benefits. A division is in process, with a probable new alignment on the way. But the harmful effects have been felt, although there are not wanting enthusiasts who patronize all the new economic nostrums and ventilate their half-baked ideas in so-called 'journals of opinion' both in America and elsewhere, and who hail the results of these experiments as 'signs of progress.' "

Agricultural Financing

The New York Times for May 24 says in an editorial on "The Farmer's Banking Interest": "Throughout its history the Federal Reserve has given large consideration to agriculture, though farmers do not see it so. They were given so much credit that they overstayed their market, and lost millions which the advice of the Federal Reserve would have saved them. The law gives farmers' paper six months' currency, or double that of other paper. The Federal Reserve Advisory Board went to the verge of discretion in advising against restriction on that privilege during the postwar crisis. But the farmers have pressed for an individual representation on the Federal Reserve Board, and are about to receive it. No one would contend that agricultural interests should not be liberally and favorably considered by the Federal Reserve Board. There has been objection to a mandate by the bloc that the President should appoint a 'dirt farmer.' That has been amended out of the bill, yet the farmers, presumably, will be pacified. ... Whatever the farmer bloc has asked has been for a special agricultural interest, not for the common good. Yet the Joint Commission of Agricultural Inquiry has developed in Chairman Anderson of Minnesota a Representative who challenges Senator Capper as a spokesman for the farmers. The bloc is all for reduction of railway rates on farm products, regardless of the effects on the railways or of discrimination against other shippers. Chairman Anderson favors the railways for the sake of the farmers. He also thinks that farmers would benefit more by liberality in discounts than in rediscounts. No Federal Reserve bank ever saw a farmer on rediscounts. No lawful rediscounts were refused. The farmers' home banks excused themselves to the farmers by placing the blame elsewhere. Chairman Anderson sees this, and proposes as a remedy closer affiliation of non-member banks with the Federal Reserve. Evidently the Federal Reserve can not be blamed for the acts of non-member banks. Clearly, also, the Federal Reserve system should not be weakened for the sake of attracting members. The middle way might be the creation of some sort of Federal farm loan bank. On the one hand, farmers need and should have longer maturities for their paper. On the other, they should not be allowed to load the Federal Reserve with frozen loans. Possibly it might be well to convert the War Finance Corporation into a farm loan bank along some such lines."

Cotton

"The cotton market has advanced about four cents a pound in the last two months, and if precedent is a guide a reaction is now to be expected as the floods subside and the plant puts on the luxuriant foliage with which June generally clothes it. The market never moves continuously in one direction and superficial fluctuations that seem to be at variance with the underlying tendency are entirely natural. But they do not and will not alter fundamental conditions or obscure the fact that the demand for cotton in the future promises to exceed the supply that is likely to be produced at present prices." (Commerce and Finance, May 24.)

Government and Business

"In his address to the National Lumber Manufacturers' Association, Secretary Hoover suggested that the best way to keep the Government out of business was to introduce more self-government into it. He opposed any idea of establishing a system of Government inspection, declaring that the trade should establish that sort of thing within the trade as a matter of self-government. What the Secretary proposes in this direction is not new. It is carried on, and has been

for years, by the cotton and grain and produce exchanges of the country with seldom any complaint as to the reliability of the service performed. Where there has been complaint it has related to the standards adopted rather than to the reports of inspection as conforming to these standards. There is no reason, therefore, why the lumber trade can not establish its own standards and its own system of inspection. Uniform practice throughout the industry, with simplification of grades and methods, would prevent overlapping of costs and eliminate waste. No one who has come in contact with its operations will fail to agree with Mr. Hoover that bureaucratic government is cumbersome and inefficient. The tendency in recent years has been altogether too much toward that form of Government supervision, and it is only now that its danger is beginning to be understood. ... Unfortunately the minds of our legislators have not grown in proportion, and the bigness of business scares them. They realize that the Government is big, because the Government is the people, and so they conclude that big business must be held in leash by that which is bigger than itself, which is the Government. This is right enough up to the point where the laws have to be revised to meet the new conditions so that there is working machinery to enforce the principles of common honesty and fair play. But to go beyond this point and tell business how to conduct itself in detail is going too far." (N.Y. Commercial, May 24.)

Ship Subsidy and the Farmer

Farm, Stock and Home for May 15 says in an editorial: "According to President Howard, the American Farm Bureau Federation is in favor of the ship subsidy. Inquiry of President Reed of the Minnesota Farm Bureau Federation develops that this question, at least as far as Minnesota is concerned, has never been put to a referendum, so that apparently in the following letter from President Howard to President Harding, Mr. Howard is not voicing the sentiments of the members of the Farm Bureau, but merely stating his own opinion, which unfortunately will be hailed by advocates of the ship subsidy as showing that the farmers are for it. ... We did not know that when a farmer joined the A.F.B.F. he delegated his thinking on public questions to Mr. Howard. The letter is to our mind very weak. Apparently President Howard has forgotten about the program of naval reduction and the ten-year naval holiday. Most all the arguments for a ship subsidy are weak, but the weakest is that of building up a merchant marine for a naval auxiliary. Merchant vessels are most economical at speeds much lower than that of war ships. The only real auxiliaries are boats of the Mauretania, Majestic and Baltic class, combining great speed with large size. Boats of this kind have always been subsidized by England with the understanding they are at the call of the Government in time of war. If they were not subsidized, they could not be run, for as money makers they are impossible, so can not by any stretch of imagination be called a 'merchant marine.' ... There is a growing feeling that the A.F.B.F. does not truly represent farmers, and President Howard's indorsement of the ship subsidy will not do anything to correct that opinion. We hope the members will demand a referendum. If it should show that the majority of the A.F.B.F. want a ship subsidy, then President Howard's position will be sustained and the chances of the passage of the subsidy legislation greatly improved. If the sentiment should be the reverse, it would probably kill the subsidy, as no congressman from a farming community wants to go against the sentiments of the voters."

Soviet Plans Grain Loan

Moscow dispatches to Berlin report the Bolshevist authorities have added another innovation to their list of economic experiments in the form of a grain loan, subscription to which, as well as the repayment of principal and interest, will be made in wheat and rye. The bonds will be in denominations of one to one hundred poods, a pood being about three-fifths of a bushel. This grain measure of value, which western economists sometimes recommended as a substitute for the gold standard, will have the advantage of a high relative stability compared with Russian paper currency. (Press, May 24)

Wheat Marketing

"From all present indications we are going to have a good wheat crop in Nebraska. And other nearby states in the winter wheat belt will have at least a normal yield, from present accounts. These indications point to a considerable exportable surplus. They also forecast a rush to market following harvest, and the consequent, never-failing slump in prices when such a situation is brought about. Should we have a good crop a glut will be almost inevitable under present financial conditions. Nebraska and the states north will be hit harder than the wheat states south of us since our harvest comes later. The damage will have been done by the rush to market from these southern states before our wheat is threshed. A situation is thus brought about that calls for serious consideration by those who have the power and authority to ward off such a disaster. We have the machinery to do it now if its use may be extended sufficiently. It would seem that there is a real service here for the War Finance Corporation to render, or even the Federal Reserve System, if that institution had a governing board more in sympathy with farmers and farming. Judging by crop statistics of past years, this exportable surplus will total some hundreds of millions of bushels. Could this surplus be financed in terminal elevators until an export market could be found, the danger of another ruined market should be avoided. American business interests as well as farmers know by this time what such a slump would mean, and all hands could well afford to get behind some move to avert it." (Nebraska Farm Journal, May 15.)

Section 3.

Department of Agriculture

A.R. Marsh says in an editorial in The Economic World for May 20: "On Monday last the Supreme Court of the United States handed down two decisions which, while differing very widely in respect of the subject matters of the cases at bar, are closely interconnected by reason of the Court's having applied the same principle and reached the same constitutional conclusion in both opinions. ... The second decision would seem on its face directly to affect only a relatively very limited class, the traders in grain who make use of the facilities of such futures markets for wheat and the other grains as the Chicago Board of Trade; for in this decision the Supreme Court has held similarly unconstitutional the essential parts of the recently enacted Federal Grain Futures Trading Act, passed by Congress with the object of compelling the great grain markets of the country to bring their practices into conformity with the ideas entertained by certain aggressive groups of agricultural producers. Despite this wide difference, however, in the character and popular interest of the statutes now found by the Supreme Court to be in violation of the fundamental law of the land, and hence null and void,

the statutes had this in common that Congress had resorted to the same expedient in both for the purpose of exercising a power of regulation that was not expressly granted to it by the Constitution and that consequently, by the terms of that instrument, was reserved to the States. This expedient is the imposition of what may be called a selective Federal tax, designed, not to yield any revenue whatever, but to prevent the doing of certain things of which Congress disapproves while permitting the doing of certain other things in the same field which accord with rules laid down by Congress."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 24: Chicago wheat market easy with May wheat under liquidation pressure. Lower foreign markets and slow milling demand were factors. Chicago July wheat lower at $1.22 3/4; Chicago July corn lower at 63 1/8¢. Closing prices in Chicago cash market: No.2 red winter wheat $1.32; No. 2 hard winter wheat $1.32; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa about 48¢; No. 1 dark northern wheat in central North Dakota $1.36 1/2; No. 2 hard winter wheat in central Kansas $1.15.

Chicago hog prices steady to strong, bulk of sales $10.20 to $10.70. Veal and good beef steers strong to 15¢ higher at $7.50 to $8.85; butcher cows and heifers strong at $4.65 to $8.60; light and medium weight veal calves strong to 25¢ higher at $8.00 to $10.25; fat lambs strong to 25¢ higher at $10.50 to $13.85.

Old potatoes steady. Maine shipping points firm at 75¢ to 80¢. Florida Spaulding Rose steady most markets at $5.50 to $6.50. South Carolina Cobblers steady most eastern markets at $5.50 to $6. Texas yellow Bermudas onions firm most markets at $1.50 to $2. Virginia strawberries 12¢ to 20¢ most markets qt. basis. Florida watermelons 22-28 lb. average $500 to $650 bulk per car.

Hay receipts of good quality continue light; prices remain firm at most markets. Old hay being well shipped out in many sections. Prairie and alfalfa generally weak. Mill feed market continues very quiet with little demand and limited production. Wheatfeeds slightly lower in east with some reselling of transit feed. Butter markets firm at the close. Arrival of full grass butter has stimulated interest in storage. Cheese markets firm. Trading quite active. Interest now entirely on fresh cheese; good consumptive demand.

Spot cotton up 18 points, closing at 19.91¢ per lb. New York July futures up 22 points at 20.27¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 24	May 23	May 24, 1921
20 Industrials	94.70	94.66	74.26
20 R.R. stocks	85.94	86.12	71.45

(Wall St. Jour., May 25.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 48. Section 1. May 26, 1922.

Muscle Shoals

In a formal opinion transmitted by Secretary Weeks to the House Military Affairs Committee May 25, Attorney General Daugherty held the contracts negotiated between the War Department, the Alabama Power Company and the Air Nitrates Corporation to be "invalid" with respect to the provisions which, officials of the two concerns claimed, gave them exclusive rights to purchase the Gorgas steam power plant and nitrate plant No. 2 at Muscle Shoals. (Press, May 26.)

The Freight-Rate Cut

The Philadelphia Public Ledger to-day says in an editorial "The 10 per cent cut in freight rates, effective July 1, should result in a slow, gentle and easy stimulation to industry and directly and indirectly help the recovery of business. It will not, however, help agriculture. It will not materially lower the cost of coal or help the building industry. Agriculture has been needing help and has been vocal about its needs. ... All the help the farmer is to get he had some months ago. The new rates will not touch his products. Coal, iron, steel and building materials get no more and no less reductions than any other commodity. The cut will have little effect politically. As an average slash it may be deep enough, but it fails to soothe the sore spots. The farmers demanded and expected special consideration. They did not get it. The industries that need help must get no more than any of the others. ... A rate reduction was expected and was overdue. The Interstate Commerce Commission has done the best it could under the law as the commission interprets it. The commission held that its reductions must be level and uniform on all commodities. The result is not being hailed with exceeding great joy by anybody concerned, but it was the inevitable step in the right direction."

Civil Service Commission Criticized

"The Civil Service Commission is honest but old-fashioned, Herbert D. Brown, Chief of the United States Bureau of Efficiency, declared in a report transmitted by President Harding May 25 to the House. 'The commission,' the report said, 'has assumed for many years, and still assumes, a negative attitude toward its tasks and problems. It endeavors to keep out of Government positions incompetent persons. It does not make a sufficiently resolute effort to secure positions in the Government for the most competent available persons. While the commission advertises for help it does not actively or energetically seek to place the best and only the best in Government positions.' In declaring the commission 'somewhat old-fashioned,' the report held that its work was conducted fundamentally along lines laid down nearly forty years ago." (Press, May 26.)

Section 2.

Agricultural Financing

1. The progress of the orderly marketing of agricultural products is evidenced by increasing repayments of advances made by the War Finance Corporation. On a single day, May 20, the repayments aggregated $1,129,000. Of this amount, $851,338 was repaid by 116 banks in 17 States in different parts of the United States. Cooperative marketing associations in 5 States repaid a total of $145,843. Repayments from live-stock loan companies aggregated $131,979, including $27,115 from Wyoming, $94,062 from Texas, $6,212 from Idaho, and small amounts from New Mexico and Colorado. For the past two months, the repayments to the War Finance Corporation have been slightly in excess of the amounts disbursed on new applications. (W.F.C. press statement, May 23.)

2. "In his address at the opening session of the annual convention of the Maryland Bankers Association in Atlantic City, N.J., May 17, George W. Waters, jr., president, who is also president of the Citizens National Bank of Laurel, Md., made some impressive suggestions and statements concerning the relation of bankers to the farmers looking to action that would afford the farmers adequate financing such as is extended to men engaged in other lines of industry. Among his telling sentences were the following: 'First and last, big business, and in this I include big banking, has not understood the farmer and his problems and it has made no real effort to understand them. Just as it is at last trying to understand the labor problem in its wider collective aspects so it ought to begin to study the farm problem. The farmer himself suffers from an inferiority complex; he has always kotowed to the city man and business man and yet your average farmer, to my observation, is usually a man of more native intelligence and force than your average city business man. He does his own thinking and is nothing like as susceptible to mob suggestions as the city man. The farmer has forgotten that he is the cornerstone; he lacks leadership. Even the so-called agricultural bloc in Congress is made up mostly of lawyers and not of farmers. Not that I think farmers in Congress will solve the farm problem, but I do think those problems could be solved to a degree if the banker and the business man began to see the farmer as an integral part of the larger world of business and industry. The fact is that the farm problem, like that of business, is one of money and credits. It is essentially a question of banking. How can we country bankers do it? All I can say is that I have faith that if we ever really tried to do it we would succeed. The most real and worth while job that the banking interests can tackle is the farmer problem. Here lies the one great factor of safety not only for our civilization in its larger aspects, but for contemporary business in its narrower aspects. The farmer must be put on his feet; he should sit at the first table of the banking and credit resources of this country, and country bankers can do more than anyone else to put him there, if we wake up to our opportunities and our obligations. In the end the big city bankers may have to show us how. With all its virtues as a national banking system, the Federal Reserve System does not meet the needs of the farmer. ... It is true beyond all question that the farmers suffered more from these deflation operations than any other class. The fact is that the Federal Reserve Act, while it mobilizes the credit of the country superbly for industry and business generally, does not mobilize it or control it for the farmer.'" (Manufacturers Record, May 25.)

Cotton

"Since the first of March the cotton market has resembled the efforts of an infant learning to walk, who first creeps, takes a few unsteady steps, and suffers many falls. In April the steps grew stronger, the May futures ranging from a low of 17.60 to a high of 18.28, which it reached on the last day of the month. The pace grew stronger in the three weeks of May that have now elapsed, and on the 22d of the month a high point of 21.62 was reached. Other months, as well as spots, have also made notable advances. Such changes do not occur in markets without a reason. Crop and business conditions account for the change. It would be cruel to kill a cotton crop in May, but at least one can look at its condition and estimate its chances for development. A heavy infestation of weevils is expected this year, and, therefore, an early start was necessary to get ahead of the pest. But the crop is not getting it. ... Private guesses are about 8 per cent more than the area picked last year, with a May 25 condition approximating that of 1921, which was far below the ten-year average. This is about as far as one can safely go in cotton calculations at this season of the year. The philosophy of the market is that while a good crop of cotton is still possible a small production is more likely. Then there is the question of trade outlook. Spinning centers seem to regard it as better, because their demand for raw cotton is increasing. They buy cotton for one purpose alone. When they buy it may be assumed they see an opportunity to sell goods. There is a brightening in the domestic outlook, and mills are buying cotton instead of using reserve stocks. The advance in bar silver is not without significance, for it tells of improved economic conditions in both China and India, large consumers, both of them, of goods made from American cotton. The world demand for cotton goods seems to be slowly but steadily increasing. The reserve of old cotton is being rapidly consumed for it is all the world now has to work upon, and the prospects for an adequate new supply are not so good as they were a month ago. The course of prices is but a reflection of these conditions, and the upward steps have grown stronger as the situation became clearer." (Wall St. Jour., May 24.)

Experiment Station Work

"It is seldom that any intelligent complaint is made of the work of the agricultural experiment stations. It is conceded by everyone who is familiar with the stations that they are well managed, and that the work is well planned to suit the needs of their various constituencies. There is hardly a farmer in the United States who would not profit by a careful study of his experiment station bulletins. Yet it is an actual fact that only a small minority of the farmers, for whose benefit the stations are maintained, know anything about what the stations are doing. The stations have never been able to 'sell' their product -- more profitable farming -- to most of those who should be regular customers. ... The county agents, who are now found in the principal agricultural states, ought to be able to remedy this condition. Their first work should be to introduce the farmers of their county to the state experiment station, and they should then see that the station bulletins are regularly and widely distributed."(The American Fertilizer, May 20.)

Farm Credit

Further extension of credit for agriculture and dairy farming was urged at the opening session of the Pennsylvania Bankers' Association at Pittsburgh, May 24. (Phila. Ledger, May 25.)

Rate Reduction

The Wall Street Journal for May 25 says in an editorial: "That the Commerce Commission can order an average reduction of 10 per cent in freight rates, and, in the same breath, predict that the railroads will earn 5¾ per cent upon their property investment thereunder is, in truth, a triumph of hope over experience. The commission says, just as surely as though it had used these words, that it relies upon continued increase in business, early wage reduction by the Labor Board and lower fuel cost when the mine strike is settled, to vindicate its optimism. ... This decision is inexplicable on any theory of rational business administration of the Transportation Act, or indeed of the first principles of a national economic policy. With a degree of future good fortune upon which no prudent man ever relies the carriers may survive it, but it is an extremely dangerous species of regulation. In a non-election year the commission would never have committed the property of others, or the transportation necessities of the country, to such a task."

Road Legislation

"Home Rule Preferred" is the title of an editorial in The Nebraska Farm Journal for May 15, which says: "Without a doubt, the four Nebraska members who voted against the bill in the House, continuing appropriations for Federal road building, expressed the majority sentiment of Nebraska on this question. And this is not to be construed in any sense as proof that we oppose good roads here in Nebraska. The measure carried, and the present system of 'matching dollars' will be continued for another biennium, but unless all signs fail it is not likely to happen again or if it does it will be by a much closer vote."

U.S.Grain Growers,Inc.

Membership in the U.S.Grain Growers,Inc., advanced last week to 60,073, representing an addition of 624 growers for the previous six day period, according to a press statement of the U.S.G.G.,Inc., for May 21. This says also that development of the U.S.G.G. Sales Company, is making good progress and there is every indication at the present time that branch offices can be opened for business on principal grain markets by July 1.

Wool Prices

Higher prices for wool was the keynote of the message delivered by James Bateman, president of the Philadelphia Wool Association, to the National Association of Worsted and Wool Spinners at their annual meeting in Atlantic City May 22. (Press, May 23.)

A dispatch from Indiana, Pa., to the press of May 24 states that W.B. Connell, sheep extension specialist of Pennsylvania State College, says the wool supply is low and the market improving. He declared Indiana County wools would average 30 to 33 cents a pound net to the growers.

A Boston dispatch to the press of May 25 says: "The high prices paid at the Texas wool auctions are being reflected in the market here by advances in price of some grades of wool, although manufacturers are extremely cautious in their purchases. The prices reported from Texas indicate clean landed costs here of $1.35 to $1.40 a pound. Traders now are estimating how much higher the prices for wool in the West can go before it becomes more advantageous to remove foreign wools from bond. It is declared that good Australian wools can be imported even under the emergency tariff law at a basis of $1.58 a pound. Foreign markets were firm."

Section 3.

Department of Agriculture

The American Review of Reviews for June says in its monthly review of affairs: "The task of putting American agriculture upon a business basis is not only too large to be performed by the available resources of private loan agencies and local bankers, but is too essential for the Nation's well-being to be met in a haphazard way. A proper financing of American agriculture requires a general method and a national point of view, supplementing detached and local activities. ... With all these plans to give American agriculture a better financial support, Secretary Wallace is not only in hearty sympathy, but is working all the time in direct cooperation. One of the most important steps that the Agricultural Department has taken in its efforts to help agriculture in its business relations has to do with the department's own efficiency. Several bureaus and services have been grouped together to form what is now the new Bureau of Agricultural Economics. At the head of this bureau is Dr.H.C.Taylor, who has directed the Office of Farm Management for several years, and is a distinguished economist as well as an authority in all that relates to farming. The Department of Agriculture will not lessen its interest in everything that has to do with plant industry, animal industry, farm demonstration, rural life, and the advancement of practical and scientific farming; but it will give increased attention to farming from the standpoint of business management, which includes accounting, credits, markets, cooperative buying and selling and many other things. Congress is fully supporting these services."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 25: Liquidation continued in May wheat and July prices declined in sympathy. Stop-loss selling was also a factor.

Chicago July wheat lower at $1.21 3/4; Chicago July corn same at 63¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.28; No. 2 hard winter wheat $1.28; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa about 48¢; No. 1 dark northern wheat in central North Dakota $1.32 1/2; No. 2 hard winter wheat in central Kansas $1.15.

Chicago hog market up 5 to 10¢, bulk of sales $10.30 to $10.75; beef steers steady to strong, medium and good grades $7.90 to $8.85; butcher cows and heifers $4.65 to $8.60. Fat lambs steady to 25¢ lower at $10.50 to $13.75.

Potato markets slow and dull for old stock. Round whites firm at north central shipping points at $1.35 to $1.40. Markets steady for new stock. Floridas $5.50 to $7.00 per bbl. South Carolinas irregular at $5.50 to $6.25.

Texas yellow onions standard crates steady most markets at $1.50-$2. Georgia Mayflower peaches steady in Pittsburgh at $4 per 6-basket carrier. Florida Tom Watson watermelons 22-28 lb. average, steady in New York and Pittsburgh at $500 to $650 bulk per car. Receipts of good quality hay continue light. Prices firm at most markets. Prairie and alfalfa generally weak. Mill feed market continues very quiet. Little demand limited production. Gluten feed production heavy; demand active. Offerings of hominy feed continue scarce. Butter markets steady. Arrival of full grass butter has stimulated interest in storage, although no active buying for this purpose has taken place.

Spot cotton prices up 8 points, closing at 19.99¢ per lb. New York July futures up 8 points, closing at 20.35¢. (Prep. by Bur. of Mkts & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

~~Vol. V, no. 49.~~ Section 1. ~~May 27, 1922.~~

Muscle Shoals

A plan to develop the Government's nitrate and power projects at Muscle Shoals, Ala., virtually was completed May 26 by the House Military Affairs Committee. In many respects it conforms to that submitted by Henry Ford but it contains certain modifications of the Ford proposals which, in the opinion of some members, make the scheme the work of the committee. (Assoc. Press, May 27.)

Cotton-Mill Men Told to Diversify

A plea for manufacture of diversified cotton products in the South was made by L.D. Tyson, of Knoxville, Tenn., president of the American Cotton Manufacturers' Association, at the 26th annual meeting of that organization, at Washington, May 26. Mr. Tyler said the textile industry of the South could never attain prosperity or independence until the majority of the mills decided to diversify and to complete their products so they could go direct to the consumer with them. He warned his auditors that to continue the present method would be an "economic crime." James A. Emory, recently elected president of the National Association of Manufacturers, followed Mr. Tyson, and took as his theme "Government and Industry." Mr. Emory said that the recent Supreme Court decision holding unconstitutional the child labor tax law has made it "forever impossible, by the use of the magic word, 'tax,' to break down the constitutional limitations upon the powers of Congress and mask a destructive invasion of the sovereignty of the states." (Press, May 27.)

International Financing

The committee of international bankers in session at Paris May 26 served notice on Germany that further consideration of a billion-dollar loan to the German Government is virtually out of the question until Germany accepts in full the conditions of the ultimatum of the Reparations Commission which expires on May 31, and also gives adequate guarantees that the inflation of Germany's currency will be stopped immediately. The committee then decided to adjourn until May 31 to await the decision of Germany. (Assoc. Press, May 27.)

International Trade Court

An international court for hearing commercial disputes between nationals of the various countries was approved at Paris, May 26, by the Executive Committee of the International Chamber of Commerce. Representatives of Great Britain, France, the Netherlands, Italy, Belgium, the United States and of the Central European countries attended. Dean Gay of the firm of Morgan, Harjes & Co. of Paris, for the American Chamber of Commerce committee, proposed that the court be set up immediately, probably at The Hague. (Assoc. Press, May 27.)

Section 2.

Agricultural Education

"A frequently voiced criticism of the agricultural college is that too few of its graduates return to the farm. But here in the South, where such a large percentage of our citizens are vitally interested in agriculture, is it not proper that some one besides the farmer should know something about agriculture? ... Recently, a banker-farmer conference was held at a southern agricultural college to devise means of bettering agricultural conditions. The means of furnishing the farmer satisfactory credit facilities would probably have been found long ago if bankers had known more about agriculture. It is reasonable to assume that a man trained in the economics of agriculture will make a much more successful banker than a man trained in the classics." (Progressive Farmer, May 20.)

Agricultural Financing

Commerce Monthly for June contains a lengthy review of "Proposed Legislation and Agricultural Credit," prefacing the article by saying:"Agricultural legislation especially merits consideration, for the evidence indicates that the farming class has had to bear a very heavy burden during the period of deflation." It concludes by saying: "For this reason those who have at heart the best interests of our rural communities should form an intelligent opinion as to the best method of improving credit facilities serving agricultural interests. The existence of such an opinion may well be an insurance against an enactment which in the end might prove but a wasteful or otherwise undesirable experiment."

Agricultural Situation

Commerce Monthly for June says: "While theoretical considerations are of great value in appraising the current situation, the only certain evidence of better business is better business, and this evidence is now accumulating on every hand. Business expansion is under way when improvement has begun in basic industries and not before. Foremost among the industries of the United States is agriculture. Farmers in this country are planting their 1922 crops in a well-founded expectation of a profitable season. Their confidence, however, is not based on the belief that price increases which have taken place since the first of the year will necessarily be permanent. They realize that these gains may be only temporary and seasonal and that international market conditions may conceivably drive the prices of the crops which they are now planting to lower levels before harvest time. They know that the essential is not the prices which they receive for their crops but the relation between the various classes of prices, and they recognize that the prices of the goods they must buy are gradually being adjusted to the prices of agricultural products. Furthermore, they know that they have at their command the essential factors of profitable production, namely, natural conditions for low-cost operations, a certain market and sufficient credit. From the standpoint of soil, climate and methods which insure a high productive efficiency per man, the farmer of the United States is placed more advantageously than is the agricultural producer of any other country. The domestic market is the greatest single market, with the highest consuming standards of the world, and whether or not business in Europe revives, our agricultural surplus will find a market there. ... Europe must buy food and raw materials and it will find the money this year as it did last year. Given the ability to produce and sell, the only other requisite is credit, and country banks are now able to meet the needs of customers entitled to it. ... "

Cotton

Farm and Ranch for May 20 says in an editorial on "The Statistical Position of Cotton": "Recently the Department of Agriculture issued the official figures on the consumption of cotton thus far this year; the amount of carry-over and the size of the stocks now in sight. This report was the cue for the cotton statisticians to appear on the stage in the playlet entitled 'Now You See It and Now You Don't.' It has been conclusively proven that there will be a cotton famine before the end of 1923, also that there is enough cotton to supply the world's demand until the new crop is on the market. It is strange that 'Statistical Position' did not display its strength until cotton planting time. Last fall, when the Government issued the final ginners' report showing a production of less than 8,000,000 bales, and followed with a report showing an increasing consumption of American cotton, there was mighty little said about how strong 'Statistical Position' really was. True a few friends of cotton, and a few more who thought the staple a good buy, called attention to the great strength of 'Statistical Position,' but there wasn't enough of them to form even a fair sized audience, and this mysterious person refused to perform. As a matter of fact, there were too many farmers waiting to see the show, and preferring to display his strength to a select crowd of speculators, the act was postponed until the 'Rubes' were too busy planting the new crop to appear at the box office. ... While it is comforting to cotton farmers to know that the vast surplus is being consumed and that there will probably be a fair demand for the new crop, his best bet is in producing as much good cotton to the acre as possible, and doing it as cheaply as conditions will permit."

Economic Center at Washington

"With the piling up of huge problems of an economic character for treatment at the Nation's Capital, we were also training men capable of dealing with these issues. We have already referred to men in the administration like Secretaries Hoover, Mellon, and Wallace. Economic study in Congress has produced great railroad authorities like Senator Cummins, and financial experts like Senators Glass and Smoot. In the bureaus of the Government, in addition to those services under the direction of the Secretaries of the Treasury, of Commerce, and of Agriculture, we have an increasingly large number of men of remarkable attainments in the theory and practice of public administration, especially from the economic standpoint. Recognizing the vital importance of sound knowledge and wise training, Mr. Robert S. Brookings, with large support from the Carnegie Corporation, is establishing an institution at Washington as a center for economic study and research. ... In the Department of Agriculture and elsewhere at Washington are vast accumulations of economic material; and these are all available for serious-minded interpreters and teachers. Thus Washington is destined in the immediate future to become not only the great American center for the shaping of public policy as bearing upon our economic progress, but also the Mecca for investigators, teachers, and students of economic science." (Amer. Rev. of Rev., June.)

Filled Milk Bill

The National Milk Producers' Federation says in a statement regarding the passing of the Voigt bill by the House of Representatives: "Passage of this bill by the House constitutes a great moral victory for the milk producers of the Nation."

French Agriculture

Marked recovery in French agriculture is reported to the Department of Commerce by Special Representative Dennis, who is making a field survey of the European food situation. Reports from competent observers in the so-called "red zone" quoted by Mr. Dennis confirm the estimate that 90 per cent of the old farm land will be in shape for cultivation during the present year. The amount of land actually cultivated may fall considerably lower, owing to the shortage of buildings and to the lack of tillage tools. Farming in the devastated regions is certainly being carried on more scientifically than before the war, the younger men particularly being more interested in improved methods. (Dept. of Commerce statement, May 27.)

Lumber Standardization

Establishment of a national inspection service bureau, to promote uniformity and the maintenance of high standards of grading and inspection of lumber, is provided in a resolution adopted at the May 25 session of the lumber standards conference of the National Lumber Manufacturers' Association. The convention also adopted resolutions providing for the standardization of lumber sizes and grades. (Press, May 26.)

Production

The Oklahoma Farmer-Stockman for May 25 says in an editorial: "Once upon a time a man had a happy idea and went abroad advising all farmers 'to grow two blades of grass where one grew before.' Needless to say this man was not a grass-grower. He was more likely a hay buyer. At least, he was interested in an abundance of food products, if not in the financial welfare of farmers. The idea still persists that increased production results in a larger net profit to the farmer. Ever so often a bit of propaganda is directed at the farmer to grow bigger crops. Seemingly the business world has not yet grasped the fact that farmers are in business just the same as it is. There seems to exist a vague idea that farming is simply a mode of living and that what the farmer sells is his surplus, raised with his own labor and is all clear profit. Therefore, the more bushels or bales he sells the greater his net profit. In almost all other lines of business production is curtailed when prices drop and increased when prices rise. This is done in the attempt to keep pace with consumption or demand. A surplus production usually results in cheap prices which for the manufacturer means producing at a loss. This is just as true of farming as any other line of business. If farm production were deliberately curtailed to the point that an actual scarcity of food resulted in want, the farmers would stand convicted before the bar of public opinion. It would appear that some folks far removed from the farms fear just such a thing. ... A total production large enough to supply the demand of the consumers without a demoralizing surplus is the aim of the farmers of this country. No fair-minded business man can object to that program. Such a program will result in fair prices on an average, will place the farmers of the country in a position to buy freely the services and products of other professions and businesses, and will result in the greatest possible national prosperity."

Stock Market Prospect

"The market has given a new demonstration of strength, and this, following closely upon the comparatively narrow range traversed by the 50 stock averages during the past several weeks, is a highly significant development." (The Magazine of Wall Street, May 27.)

St. Lawrence Waterway

The American Review of Reviews for June says in its monthly review of events: "One of the plans that secured foremost hold upon midwestern fancy was a great ship route connecting our Great Lakes with the St. Lawrence River. ... There were all sorts of practical problems having to do with engineering, navigation, and the like, that many of the enthusiastic supporters of this project passed over without close scrutiny. But there were also several more important considerations that they forgot altogether. In the first place, it would probably be fifteen years before such a canal could be agreed upon and carried to completion. The political, diplomatic, legislative, financial, and engineering preliminaries would presumably occupy five years. Construction would probably require ten years or more. Nothing could justify large outlays upon such a project except the assurance of an enormous permanent export and import trade between the upper Mississippi Valley and northern Europe. Yet a little thought ought to show that no fate could be more unhappy for our Northwest than the need of permanently exporting its phosphates and other precious soil elements to foreign shores. This would mean the ruin of our western States within a century. ..."

Section 3.

MARKET QUOTATIONS.

Farm Products

May 26: Chicago wheat market lower early with May selling $1.25 3/4. July wheat developed oversold condition and closed fractionally higher at $1.22 1/2; Chicago July corn higher at 63 1/8¢ Closing prices in Chicago cash market: No. 2 red winter wheat $1.26; No. 2 hard winter wheat $1.27; No. 2 mixed corn 62¢; No. 2 yellow corn 62¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in central Iowa 48¢.

Chicago hog prices up 10¢, bulk of sales $10.35 to $10.80. Beef steers firm; medium and good grades $7.90 to $8.85; butcher cows and heifers steady at $4.60 to $8.60; fat lambs $10.50 to $13.75.

Old potatoes dull and weak, 60¢ to 70¢ at Maine shipping points. Florida Spaulding Rose steady in most eastern markets at $5.50 to $6.50 per bbl. South Carolina Cobblers firm in leading eastern markets at $5.65 to $6.50. Texas yellow onions steady in most markets at $1.50 to $2.00. Delaware, Maryland and New Jersey strawberries 16¢ to 32¢ per qt. in most eastern markets. Georgia mayflower peaches, sixes, $2.50 to $3.50 in most markets.

Hay receipts continue light. Stocks decreasing. Demand firm especially for the better grades. Minneapolis reports very good market anticipated until new crop. Millfeed market very quiet with little demand and limited production. High protein feeds dull. Gluten feed production heavy; demand satisfactory. Butter markets barely steady. Light receipts and good consumptive demand only factors which have held up prices. Cheese markets steady to firm; trading light but irregular since last advances in Wisconsin.

Spot cotton up 43 points, closing at 20.42¢ per lb. New York July futures up 48 points, closing at 20.83¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	May 26	May 25	May 26, 1921
20 Industrials	95.05	94.36	74.51
20 R.R. stocks	86.33	85.66	71.98

(Wall St. Jour., May 27.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. V, no. 50. Section 1. May 29,1922.

Roads Legislation

The deadlock between the Senate and House on good roads legislation was continued May 27 by the Senate in voting to reject road legislation attached by the House to the Post Office Appropriation bill. The Senate voted unanimously against accepting the Dunn bill. (Press, May 28.)

Muscle Shoals

Bidders competing for development by private enterprise of the Government's $106,000,000 war-initiated projects at Muscle Shoals, Ala., were given their answers May 27 by the House Military Affairs Committee in the form of a counter proposal framed by the committeemen. None of the offers submitted by the bidders and forwarded to Congress by Secretary Weeks for final decisions was found acceptable. That made by Henry Ford came closest to winning the award, in that it was made the basis upon which the committee built its reply. The committee acted in a way, it was explained, which will leave its decisions subject to acceptance by any person or interest willing to meet its terms, and which will permit it, at the same time, to support its counter proposal before the House where the subject of Muscle Shoals is acted upon in that body. (Assoc. Press, May 28.)

Rail Board Cuts

Effective July 1, 1922, wages of approximately 400,000 maintenance of way employees and railway shop laborers in the United States have been ordered cut an average of five cents an hour, or approximately $48,000,000 a year, by the Railroad Labor Board, in a decision made public May 28. (Press, May 29)

Farm Machinery Sales

Agricultural implement manufacturers report sales of threshing and other heavy machinery greater than a month ago but less than last year. General farm machinery sales show seasonable declines but exceed last season, while tillage tools are behind. Dealers are not stocking up and many still have a carryover from last year. Farmers buy conservatively. May collections improved over April. Some firms report fewer farmers' and dealers' notes taken in settlement than a year ago. Prices are 20 to 40 per cent lower. (Chic. dispatch to Phila. Ledger, May 28.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 22 to May 24, 1922, inclusive, it approved 41 advances, aggregating $943,000, for agricultural and live-stock purposes in 15 States. The corporation also approved an advance of $100,000 for the purpose of assisting in the exportation of canned goods. (W. F. C. press statement, May 25.)

Cost of Production

Hon. Sydney Anderson is the author of an extensive article entitled "It's Distribution that Costs!" in The Nation's Business for June, which says in part: "It costs more to-day to transport, sell and deliver commodities produced in the United States than it does to produce and manufacture them. This amazing condition at once presents the problem and reveals the revolution which has taken place in the manufacture, transportation, sale and distribution of commodities in this country. We did not have much data upon either manufacture or distribution thirty years ago, but it is safe to say, speaking generally, that thirty years ago manufacturing was done in small volume at high unit cost and that distribution was relatively local and distribution costs relatively low.....We do not know and it will probably never be possible accurately to ascertain the average return of the original producer of the raw material from the consumer's dollar, but such data as have been accumulated indicate that it is probably not more than 28 cents at the local market. Again, the proportion of the consumer's dollar represented by the cost of manufacture varies widely with the degree of manufacture and fabrication represented by the article, and an average figure representing this cost would have to be made with many reservations. However, this cost probably does not exceed from 10 to 17 cents of the consumer's dollar, and it is quite certain that the cost of production and manufacture together are less than the total cost of transportation, selling and delivery.....Improvement in distributive processes with consequent reductions in costs can not come as the result of legislation except as legislation may help to set in motion economic forces to this end. Definite permanent improvement must come through a better knowledge of the processes involved and sounder practices on the part of those directly concerned. The first thing that must be done to accomplish this result is to get the basic information from which the formulae of principle and practice in the distributive professions can be worked out. This means the setting up of the necessary machinery, preferably under private and disinterested auspices, for getting this information with the cooperation of the various distributive agencies affected and the help of the Government departments charged with the study and direction of marketing and distribution..... I would like to see the genius of the American people directed toward the solution of this problem, for I believe the genius which evolved mass production, if directed toward the solution of the problem of distribution, can do much toward narrowing the spread between the producer and the consumer."

Dairy Marketing

Plans have been adopted by over 300 creamerymen in Minnesota for the purpose of producing a uniform grade of butter; to standardize, grade, and to market their product together or upon a similar plan. (Hoard's Dairyman, May 26.)

Filled Milk Legislation

The Baltimore Sun to-day says in an editorial: "The dairy interests were responsible for the ban upon the product decreed by the House, and a hue and cry has been raised over the precedent that is thus established. If 'filled milk' can be barred from interstate commerce, why not oleomargarine, fruit syrup, or any other product that happens to curtail the sale of dairy or farm products? There was no effort to reach 'filled milk' under the Pure Food law. The fact that the interstate commerce clause was invoked to stop its production raises a constitutional question which will give real interest to the United States Supreme Court."

Live-Stock Futures Market

"A report that a futures market for meat and cattle is to be established at Buenos Aires, Argentina, brings up a question that has been considered in the United States. The promoters of the Argentine market believe that such a market would result in better organization of the live-stock business, prevent violent fluctuations and improve conditions generally. What would be the chances for permanent success in the United States of such a plan? The fact is that there has been some trading in cattle, hogs and sheep for future delivery in the United States for years. But such trading has been solely on a contract basis between individuals. For this to develop into extensive dealing in live-stock futures regulated by the exchanges in the United States is not likely, because of the inherent difficulties. Some people argue that because this is done in pork products on the boards of trade it can be done in live animals. But the analogy is not a fair one..... The chance of any such plan being worked out in the United States would be limited to the large markets only. And the difficulties in these markets as already mentioned are such that it is impossible to wax enthusiastic over the Argentine experiment so far as it is intended to be an ultimate solution of the live-stock marketing problem through stabilizing receipts. But the outcome of the experiment in Argentina will be watched with interest." (National Provisioner, May 20.)

Tariff Legislation

"There are undoubtedly times when certain agricultural and live-stock products should receive the benefits of a protective tariff. This is true when the manufactured product made from raw material produced in this country is on the protected list. In such cases, however, the raw material should receive equal consideration. But does it get it? It does not. When Congress proposes a tariff on farm products, it is time to begin looking for the 'bug under the chip.' You have better than a fifty-fifty chance of finding one. The Dallas News, in a recent editorial, exposes this feature in discussing the proposed tariff on hides. Taking official statistics, The News shows that the compensating tariff on shoes, harness and other leather goods will cost the farmer $4,600,000 more than the total benefits of tariff on hides, provided the hides advance in price fully as much as the rate of protection, which is by no means certain. There is another feature, however, not touched upon by The News, and that is the enormous profits shoe manufacturers will secure from consumers who have no hides to sell....."

Section 3.

Department of Agriculture 1 The Baltimore Sun for May 27 says in an editorial :"In a few months the issue over the Fall policies in the Interior Department will come to a crisis. There is no longer any question as to what Secretary Fall intends to do with the public resources if he can. He persuaded Secretary of the Navy Denby to give him jurisdiction over the naval oil reserves, and a large portion of them are now under lease to private interests; he is striving with might and main to get a grip upon the Forest Service, with its vast domain of timber in Alaska and elsewhere, with untold mineral wealth beneath it. It is little wonder that the Fall policies have become a storm center of politics. If Congress is asked to confirm a plan of reorganization involving the transfer of the Forest Service to the tender mercies of the Secretary of the Interior, one of the bitterest legislative fights of a decade is in prospect."

2 In commenting further upon the F. H. B. conference, The Florists' Exchange for May 27 says: "We note with interest the air of definite certainty with which a Chicago contemporary announces that a 'promise was won from the Federal Horticultural Board at Washington this week that the restrictions on imports imposed by Qu. 37 would be relaxed.' After three years of campaigning for modifications in this ruling--years that have been enlivened by protests, criticisms and even threats, as well as generous support and encouragement--we would hardly credit the F. H. B. with a willingness to 'promise' anything, least of all to actually let down the bars that it has so vigorously, not to say stubbornly, upheld. Our cause for gratification in connection with the conference is that it (1) brought the whole matter out into the light and, especially, to the personal knowledge and attention of Secretary Wallace; (2) won an acknowledgment from the F. H. B. that some of its decisions and mandates were fit subjects for discussion; (3) paved the way for discussions of specific, recommended modifications in which the Board agreed to participate with an open mind; and (4) questioned absolutely the legality of Qu. 37, with the result that the Secretary suggested a subsequent meeting at which the matter could be definitely settled.

"With the departure of the F. H. B. for California all the developments referred to are temporarily checked, except the legality question upon which Chairman McFarland, of the amateurs' committee, is urging prompt action. Insofar as the presence of the F. H. B. itself is not essential to a discussion by lawyers of the legal standing of a quarantine already approved, presumably, by the Solicitor of the Department of Agriculture, there would seem to be no reason why this formal conference should not be held at an early date. Meanwhile, and in any event, the task before the various groups who are asking for specific changes in the rulings, such as the amateurs, the bulb interests, the orchid growers, etc., is to prepare and keep fresh in their minds the cases they plan to present when their respective conferences are called, and to select the committees that can most effectively present those cases at such times. In other words the fight for horticultural rights is by no means won but similarly it is not lost. We have won recognition for our claims and contentions and, provided we do not relax our attention or lessen our efforts, we believe that we stand a good chance of proving the justice, necessity and wisdom of the changes for which we ask."

Section 4.
MARKET QUOTATIONS

Farm Products

May 27: General evening up in grain market. Deliveries of May contracts at Chicago 1,400,000 bushels wheat. Milling demand improved. Chicago July wheat unchanged at $1.22 1/2; Corn had firm undertone on forecast for wet and cooler weather. Chicago July corn unchanged at 63 1/8¢. Closing prices in Chicago cash market: No.2 red winter wheat $1.24; No. 2 hard winter wheat $1.27; No. 2 mixed corn 61¢; No. 2 yellow corn 62¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 48¢; No. 2 hard winter wheat in central Kansas $1.15; No. 1 dark northern wheat in Central North Dakota $1.31 1/4.

Chicago hog prices strong to 10¢ higher; bulk of sales $10.45 to $10.90. Cattle sheep and lamb prices practically unchanged. Medium and good beef steers $7.00 to $8.85. Butcher cows and heifers $4.60 to $8.60. Light and medium weight veal calves $8.00 to $10.25. Fat lambs $10.50 to $13.75.

Old potatoes steady in most markets. Florida Spaulding Rose $6.00 to $6.50 per bbl. in New York. South Carolina Cobblers irregular in most markets at $1.50 to $6.00. Florida Tom Watson watermelons stronger in New York market account limited supplies, ranging from $600. to $800 bulk per car. Georgia Mayflower peaches, sixes, steady in New York at $3.00 to $3.50.

Spot cotton up 19 points, closing at 20.61¢; New York July futures up 17 points at 21¢.

Grain market had heavy undertone during week with most weakness in May wheat. Chicago July wheat down 1¢. Chicago July corn down 1 1/4¢. Principal market factors were: Heavy receipts, liquidation, slow demand, and bearish crop and weather news.

Increased receipts of hay at some eastern markets have resulted in a better feeling but on account of decreased stocks prices are being maintained. Receipts at central western markets continue light with slight increase in price for No. 1 timothy and fairly firm prices for lower grades.

Prices of wheat feeds weakened somewhat at the last of the week due to increased offerings. High proteinfeed equal to demand. Warehouse stocks of cottonseed meal selling slightly below shipment prices.

Butter markets barely steady. Light receipts and good consumptive demand only factors which have held up prices as buying for a storage has not been heavy enough to prevent accumulation. Cheese markets steady to firm; trading light but irregular since last advances in Wisconsin.

Spot cotton prices advanced 102 points, July future contracts at New York advanced 110 points.

Northern sacked round white potatoes steady in Chicago at $1.50 to $1.60 per 100 lbs.; firm at North Central shipping points at $1.35. Texas yellow Bermuda onions, standard crates up 15¢ at $1.50 to $2 in leading city markets. Delaware, New Jersey and Maryland strawberries about steady New York and Boston at 25 to 30¢ qt. Florida tomatoes best sizes 75¢ higher at $5 to $5.25 in New York. First car of Texas cantaloupes arrived in New York selling at $16 per standard crates of 45 melons.

Chicago hog prices declined 5 to 10¢. Beef steers advanced 15 to 25¢; better grades of fat cows and heifers 10 to 15¢; lower grades of cows and canners and cutters declined 10 to 25¢. Veal calves up 25 to 50¢. Best feeder steers firm; other grades weak to 25¢ lower. Fat lambs gained 50¢ to $1; Spring lambs 75¢ yearlings 50 to 75¢; fat ewes generally 25¢.

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Vol. V. no. 51 Section 1. May 31,1922.

Tariff Legislation

The Senate Finance Committee majority, in charge of the tariff bill, met its first reversal May 29, being upset twice in fights led by the Republican tariff bloc. Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide, for which 10 per cent ad valorem duty was provided in the Senate committee bill, was, on motion of Senator Poindexter, placed on the free list by a vote of 46 to 14. (Cong. Rec., May 29.)

Defer St. Lawrence Treaty

Canadian Prime Minister King announced May 29 in the House of Commons that the Dominion Government did not consider the present an opportune time for negotiation of a treaty with the United States on the St. Lawrence waterway plan. Mr. King said that the United States government had been so informed upon receipt of a communication from Washington suggesting negotiation of a treaty as a basis for the construction of the waterway and stating that the United States Government was prepared to consider such a treaty.(Ottawa dispatch to press,May 30.)

Freight Rate Cut

Acceptance by the 37 railroads of the Eastern division of the Interstate Commerce Commission's 10 per cent. freight rate reduction and the decision by the Southeastern lines to make no fight against the ruling and not to demand a formal order from the commission was expected to bring a prompt decision from the Western roads on the matter of applying for a formal order. At a meeting May 29, the railroad executives of the Association of Western Railroads withheld their decision, pending action by other roads in the country on the $400,000,000 rate cut.(Chicago dispatch to press, May 31.)

Land Banks for Pacific Coast

Issuance by the Federal Farm Loan Board of charters for four joint stock land banks, combined territory of which will embrace practically the entire Pacific Coast, was announced May 30, by W. H. Joyce, acting secretary of the board. The four institutions chartered will begin loaning operations immediately. They have been organized by ten of the leading banks for the West Coast. The combined capital and surplus of the four joint stock land banks is $1,100,000, and as under the Federal Farm Loan Act they may loan fifteen times their capital and surplus, their immediate loaning capacity is $16,500,000. When this capacity is reached the banks by increasing their capital may extend their loaning privilege without limit. (Press, May 31.)

Section 2.

Agricultural Financing

Eugene Meyer,jr., is the author of an article entitled "Longer Credits for the Farmer," in The Nation's Business for June. In this he says:"One great trouble with the financial system of this country is that it is based on European conceptions of what constitutes soundness in banking--conceptions which have grown up in countries whose business is chiefly industry and commerce rather than agriculture. The financial machinery of Europe is based on a 60 or 90-day banking facility. This is exactly what is needed to finance imports of foodstuffs and raw materials, the manufacture of raw materials into finished goods, and the export of manufactured goods. But the basic business of America is the production and distribution of agricultural commodities, and 60 or 90-day financing does not adequately meet the needs of the producer. The collapse in agriculture, and in the banking situation in the agricultural districts, was partially due to an attempt to collect loans on farm commodities within too short a period. The inevitable result was to force on the market an abnormally large volume of products in an unusually short period of time. The arbitrary application of principles which are not adapted to American agricultural activities produced a breakdown in the machinery. Our great staple crops and live stock are neither produced nor consumed in 90 days, and we should not expect to market them in 90 days. The need for longer term financing for our agricultural turnover is partially recognized by the Federal Reserve System, in that provision is made for rediscounting agricultural paper for six months. But our financial system as a whole does not adequately recognize the necessity of synchronizing agricultural financing with the natural processes of production and consumption.....During the past year it was clearly shown that commercial paper depends for its liquidity on the orderly buying of the manufactured goods, and that this orderly buying, in turn, depends largely upon a purchasing power based upon the orderly marketing of our basic agricultural products. We need to develop a fresh outlook. We need to revise our financial conceptions. And we need to do it in the freedom and in the light of common sense instead of in slavish adherence to theoretical principles based upon the needs of a business governed by different conditions. Our finances need Americanization."

Business Arbitration

A plan for advancing the use of arbitration as a means of settling commercial disputes between business men was announced May 29 by the Chamber of Commerce of the United States. Arbitration, under the arrangement proposed, would consist of settlement of local controversies by local commercial bodies; of settlement of disputes within an industry by trade associations and of the handling by the National Chamber of cases that do not fall within local or trade jurisdiction. The National Chamber already has provided machinery for handling disputes that may come to it.(Press statement, May 29.)

Corn

The Nebraska Farmer for May 27 says in an editorial: "The record of production since 1866ddoes not show more than two large corn crops in consecutive years. The years 1920 and 1921 produced the largest corn crops on record. We should rather expect a 1922 crop smaller than the average. There are many factors that could bring this about. Corn, unlike wheat, is grown in rather a restricted area. It is said that the sun never sets upon the wheat grower, but such is not true of the man who raises corn, and a limited section of the United States is the largest corn producing area of the world. Argentina in South America is the only other country that produces much corn for export. The spring has been late and corn planting is likewise retarded, in Nebraska at least. Dry weather or an early fall frost in the corn belt can do much damage. Should the 1922 crop be below the average, any corn surplus would be rapidly absorbed. Just how much corn there is on hand at the present time is not known, but it has been marketed rather heavily in the past few months and from the middle of January to the first week in April our corn exports amounted every month almost to as much as the total exports of corn in 1920, or about 20,000,000 bushels. Since the first of April the export demand has dwindled considerably, but the corn surplus has already disappeared in a remarkable fashion. Live-stock feeding will account for the disappearance of a large amount. The fact that live-stock prices are holding up fairly well makes an increased demand for corn for feeding purposes, which indicates a stronger market for this grain for some months to come."

Cost of Production

"A Better Dollar's Worth" is the title of an editorial in The Indiana Farmer's Guide for May 27, which says: "It is said that about 37 cents of the consumer's dollar represents the cost of production, 14 cents represents all profits and 49 cents the cost of all services, such as packing, transporting, display, delivery, rent, wages, overhead and the cost of carrying the article and selling it on credit. These figures are the result of an investigation by the Congressional Joint Commission of Agricultural Inquiry, and while very general are sufficient to give us an idea of the distribution of the dollar we spend. The point that strikes the writer about these figures is that many would-be reformers have been doing a lot of barking up the wrong tree. It is the service tree, rather than the profit tree that will yield itself more readily to reform. We know without resorting to monotonous statistics that the cost-of-production tree has been trimmed to the limit and that while there has been unreasonable profits taken by certain parties, generally the profit tree is not the white elephant. We must reform the service end--cut the 49 cents, the part of each dollar that goes in between. This is one place where each one of us has an interest and a responsibility. What does reducing the cost of service mean? First, it means cutting the cost of local transporting by getting better roads, motor trucking where possible and cooperating in hauling in order to insure full loads. Second, it means lower freight rates. Third, it means more systematic handling at city terminals. Fourth, it means reducing to a minimum the number of 'two by four' retailers who have neither the volume of business nor the caliber of business management to justify their continued operation in the present state of our economic and social order. Fifth, it means paying cash for what we buy and relieving the

retailer of the expense of delivery whenever possible. Sixth, but not the least, the farmer can do a great deal toward reducing the cost of service by producing and selling only good goods--the kind that he expects the merchant in the city to sell him when he (the farmer) goes to buy."

Grain Trading

The Farmer (St. Paul) for May 27 says in an editorial: "By reason of the court decision on the Future Trading Act, the Minnesota Railroad and Warehouse Commission is taking steps to enforce the law passed at the last Minnesota Legislature which provides for State supervision of grain exchanges. This law requires all grain exchanges to make a permanent record of every transaction, which record must show the date of each purchase or sale, the quantity, the name of the purchaser or seller, their respective addresses, and the price and terms of the purchase or sale. Records must also be kept and posted concerning market receipts of grain, the range of prices, and the amount of grain sold for future delivery. The Minnesota law goes into effect on the first day of June."

Ship Subsidy Bill

The Farmer (St. Paul) for May 27 says in an editorial: "The action of President Howard in committing the American Farm Bureau Federation to the support of the ship-subsidy bill comes as more or less of a surprise to western farmers. Generally speaking, the sentiment of farmers up to this time has been against not only the ship-subsidy bill, but also against all ideas of cash subsidies from the Government to private interests. As a matter of economic principle, we believe that a majority of western farmers are opposed to the ship-subsidy bill. As a matter of national pride, farmers like other citizens would like to see the United States maintain its place with the other nations of the world as the owner of the ships which carry our products to all parts of the world. Apparently the cost of operation of ships built in America and manned by Americans is such that a merchant marine is not possible without some support from the Government. While farmers may not quickly be converted to the support of the ship-subsidy bill, we believe that they do have enough confidence in President Howard that they will be willing to grant the wisdom of considering the merits of this bill an open question until such time as all the facts of the case may be carefully considered....."

Section 3

Department of Agriculture

"The Packers and Stockyards Act, pushed through the Congress by Senator Capper and the Department of Agriculture, has resulted in an unexpected situation at So. St. Paul which is not pleasant to shippers of live stock; and the agents of producers' organizations are in Washington to appear before the House Committee on Agriculture in favor of the Clague amendment to the act, adding a section to the law providing that the Federal supervisors shall not prevent the Minnesota R. R. and Warehouse Commission from exercising jurisdiction over the weighing of live stock at the market, as has been the custom, so long as a reasonable maximum fee is established. It is understood the commission men desire Federal control in place of the State supervision, charging that the local authorities are

interested in State politics; but the shippers want the State supervision. It is an interesting fact that when the U. S. Supreme Court held the act to be constitutional, the commission men pledged their support to its successful enforcement, while farm leaders now are attempting to amend it. The Federal District Court has ruled that the State authorities must 'get out', and the yards authorities will take over the weighing."(Price Current-Grain Rep.,May 24)

Section 4
MARKET QUOTATIONS

Farm Products

May 29: Grain Prices firm early, but liquidation developed and market declined easily in absence of buying support. Chicago July wheat lower at $1.18 3/4; Chicago July corn lower at 61 5/8¢. Visible supply of wheat 25,823,000 bushels, a decrease of 521,000 bushels for week. Visible supply corn 27,917,000 bushels, a decrease of 2,743,000 bushels for week.

Chicago hog prices down 10 to 20¢, bulk of sales $10.30 to $10.90. Beef steers steady to 10¢ lower; medium and good grades $7.85 to $8.85. Butcher cows and heifers $4.50 to $8.60, lambs down 25 to 50¢; fat lambs $10.00 to $13.65.

Markets weaker for old potatoes. Maine Green Mountains down 15 to 20¢ at 40 to 50¢ per 100 lbs. South Carolina Cobblers strong in Boston at $6.50 to $7.50 per bbl. Maryland, Delaware and New York strawberries, various varieties, 12 1/2¢ to 22¢ per qt in eastern cities. Florida Tom Watson Watermelons 22 to 28 lb. average, steady in leading markets at $500 to $700 bulk per car.

Hay market steady with firm prices for good quality timothy. Arrivals of new alfalfa mostly of poor quality. Stock of all hay light. Wheat feed market continues weak. Butter markets weak. Receipts light; consumptive demand good. Cheese markets steady to firm; receipts beginning to show full grass flavor; buying interest centers on fresh goods.

Spot cotton down 5 points, closing at 20.56¢ per lb. New York July futures down 11 points at 20.89¢.(Prepared by Bureau of Markets and Crop Estimates.)

Industrials and Railroads

Average closing price	May 27	May 26	May 27, 1921
20 Industrials	95.47	95.05	(Hobiday)
20 R. R. stocks	86.66	86.33	"

(Wall St. Jour., May 30.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 52. Section 1. June 1, 1922.

New Grain Futures Bill

A new bill for regulation of future trading on grain exchanges, designed to meet the recent decision of the Supreme Court holding the present trading act inoperative in part, was introduced in the Senate May 31 by Senator Capper, chairman of the unofficial Senate agricultural bloc and author of the original act. In presenting his new measure, Senator Capper said it had the support of the agricultural bloc and Secretary Wallace and others of the Department of Agriculture. It was referred to the Committee on Agriculture and Forestry. The bill is similar to the act declared inoperative by the Supreme Court except that its fundamental principle is based upon the power of Congress to regulate interstate commerce instead of the taxing power, which was the basis of the present law and which the Supreme Court held could not be exercised in that respect. (Press, June 1.)

Soldier Bonus Legislation

The House soliders' bonus bill amended in several important particulars but with the much discussed bank loan provision retained, was approved yesterday by the Senate Finance Committee by a vote of 9 to 4. Chairman McCumber proposes to report the measure to the Senate within a few days, and said he hoped to get action on it before the passage of the tariff bill. The more important alterations made in the House measure include abandonment of the reclamation plan and the substitution of a provision under which veterans would be given preference in making entry on public or Indian lands when opened to entry. (Press, June 1.)

Ford Offer for Muscle Shoals

The Associated Press to-day reports from Detroit: "What was understood to be Henry Ford's final word with respect to his offer to lease and operate Muscle Shoals was on the way to Washington today. No official statement could be obtained, but from sources close to Mr. Ford it was learned the manufacturer had modified the wording of his offer in virtually every particular as requested by the House committee but that he refused to eliminate the Government steam power plant built on land of the Alabama Power Company at Gorgas, Ala., on the Warrior River, from the list of projects he desired to take over. It is understood Mr. Ford makes it plain he is bidding for the entire Muscle Shoals project and not parts of it and that he holds the Gorgas plant to be necessary to his development ideas."

Hemp Export

General Wood has revoked, effective June 1, hemp order No. 13 providing for the export of low-grade fiber, ordinarily known to the trade as United Kingdom grades. This order was enforced since June, 1921. (Press, June 1.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from May 25 to May 27, 1922, inclusive, it approved 30 advances, aggregating $990,000, for agricultural and livestock purposes in 16 States. During the week ending May 27, the corporation approved a total of 71 advances, aggregating $1,933,000. (W.F.C. press statement, May 29.)

Agricultural Situation

"Farmers are Serfs of the Money Lenders" is the title of an article by George H. Stevenson, in The Dearborn Independent for May 27. In this the writer says: "It is apparent to thinking persons that the expenditure of these vast sums annually for the uplift of agriculture has failed to stem its downward trend, and it is well, therefore, that the Nation as a whole should at this time pause and consider seriously the status of agriculture. ... I make the statement, and shall offer proof, that the farming industry has been on the down grade for many years; that, in fact, a liquidation of the farmers' assets during any year of the past ten, on a basis of a valuation fixed by the earning power of his investment, after allowing the farm operator, be he tenant or owner, a wage equal to that received by the unskilled laborer of the factory, would not have paid the indebtedness now charged against this industry in the form of secured and unsecured loans. ... During the past ten years the official exponents of agriculture have pressed the subject of rural credits, in season and out, and the first result of this agitation for rural credits was the enactment of the Federal Farm Loan Act in 1915. I have no fault to find with the Farm Loan idea, except that its potency for saving agriculture has been overestimated. Agriculture needs adequate financing, and the long-time-amortized mortgage is entirely practicable from the farmers' standpoint. ... Now comes the next step proposed by the official advocates of agriculture. Once more the use of the needle--more money for the farmer through the medium of a personal credit system, supplemental to the Federal long-time mortgage loan system. Did the farmer ever need greater production as the first essential to his prosperity? Did he ever need the Farm Loan system as the second essential to his prosperity? Does he to-day need as his saving line greater opportunity to borrow on personal credit? The statesman, be he farmer, business man or educator, will tell you to-day, as he has told you for years past, that what the farmer needs, generally speaking, is not greater production, is not increased facilities for borrowing money, which he must pay back, but first must come fair prices for that which he produces, and upon the ability of the farmer to realize fair profits depends the weal or woe of American agriculture. ...

"The tendency of civilization is to make of the farmer a producer of raw materials solely, with manufacturing and distribution entirely in the hands of the highly organized, but not necessarily efficient, urban centers. No nation can long survive solely as a producer of raw materials, and, likewise, no industry can sustain itself for long solely on a basis of production of raw materials, leaving in other hands the marketing of the material in its raw state, as well as the manufacturing and final distribution to the ultimate consumer. It is the history of both nations and industries following this course that the producer of the raw materials becomes steadily poorer, while the distributor and manufacturer become richer and more powerful. The net result of this policy, applied to American agriculture, is that our farming classes have finally been reduced to a position of serfdom - serfs to purchasers of farm loan bonds, to holders of the mortgages, and to banks and individuals who have loaned them money."

A. F. B. F. and Rate Reductions

The American Farm Bureau Federation Weekly News Letter for May 25 says: "The reduction of 10 per cent in freight rates throughout the country on all commodities except agricultural products ordered on May 24 by the Interstate Commerce Commission will mean approximately $127,000,000 to the farmers of the United States. As a result of a petition presented by the American Farm Bureau Federation to the Interstate Commerce Commission last October, the railroad executives granted a 10 per cent reduction on all agricultural commodities for a temporary period of six months, which has netted the shippers an estimated $55,000,000. Another $38,000,000 was saved to shippers in the reduction made in the Western Hay and Grain case. The revenue of the carriers for 1921 was $3,906,599,521. A 10 per cent cut from this amount would be approximately $400,000,000, ninety-three millions of which have already been saved the shipper by the other two reductions. Since the farmer pays 55 per cent of the freight it means that he would get the benefit of $220,000,000. Ninety-three millions have already been saved which leaves $127,000,000 to represent the benefit derived from the reduction ordered on all commodities yesterday. This general leveling reduction in transportation rates on all commodities leaves the basic commodities on the same level with others. It has been the contention of the American Farm Bureau Federation that the rate on basic commodities, whether they be agricultural products or not, should be lower than the rate on other products. The American Farm Bureau Federation will therefore continue to seek further reductions on basic commodities until a balance has been established. ..."

Editors on Advisory Committee A. F. B. F.

The second annual meeting of the American Agricultural Editors' Association was held in Chicago last week. A resolution was passed authorizing the president to appoint three of the editors to act as an advisory committee to the department of information of the American Farm Bureau Federation. President Samuel Adams appointed the following committee: C. V. Gregory, Prairie Farmer, Chicago; John F. Case, Missouri Ruralist, St. Louis; and John Cunningham, Ohio Farmer, Cleveland. (A. F. B. F. Weekly News Letter, May 25.)

Farmer on Reserve Board

Reviewing legislation on the Federal Reserve Board membership, Commercial West for May 27 says in an editorial: "Its passage is looked upon as another great accomplishment for the farmer. In fact, it appears that it also may be considered a kind of opening wedge to transform the Federal Reserve System into a bit of political machinery. The original Federal Reserve bill specifically provided that two members of the Board be men experienced in banking. The amended bill omits this provision and stipulates that 'commercial, financial, agricultural, and industrial interests be represented.' Thus it can be seen that it is possible to appoint as a member of the Board a 'financier' who is not experienced in banking. Another feature of the bill as it goes to the President for his signature is that the six members on the board makes possible a tie vote, on matters on which there may be a division of opinion. The passage of the bill is another victory for the 'farm bloc.'"

Live-Stock Marketing

The Producers' Commission Association established at the Indianapolis Yards on May 15 under the auspices of the National Live Stock Producers' Association, stood in fourth place among 19 firms on that market at the close of its first week's business. (A. F. B. F. News Letter, May 25.)

Wheat Grading

"The effort of the Department of Agriculture to solve the dockage problem for the spring wheat grower is told on another page hereof. The department, as has been seen, as the outcome of the effort in the Northwest to lower the standard wheat grades, has entere on an educational campaign, in the belief that the farmer will ultimately take out the dockage on the farm or grow less of it with his wheat. He ought to, but will he? It is doubtful. The dockage has now not the market value it once had. And it is a waste to send it to the terminal markets, where it has become a nuisance and not the source of profit it once was. It ought and indeed, economically speaking, it must be taken out either on the farm or at the station elevator to avoid the loss occasioned by handling it. The elevator should be able to clean wheat better and more cheaply than the farmer can clean it on his place, if he does not have the thrasher clean it for him. The dockage on the farm has also a certain value there, though it has none at the terminal. The country elevator therefore should be equipped to clean wheat as it comes in from the farm, return the dockage to the grower to be made use of as a feedstuff in some form, and pay for clean grain only.'" (Price Current-Grain Reporter, May 24.)

Section 3.

Department of Agriculture

1. In an editorial entitled "The Farmers and the Government," The Washington Herald to-day says: "American farmers are proud of the Department of Agriculture. Administrations have come and gone. Parties have fallen. Every other executive branch of the Government has been subjected, time and time again, to the fierce fire of political criticism. But through all, this department has remained untouched. It has functioned efficiently and without partisanship. Its work has proved of incalculable value to American farming. Consequently when any proposals to curtail its power are reported howls of anger are almost certain to come from the hinterland. If the reorganization report now before President Harding, by which three bureaus are transferred from the control of Secretary Wallace, is forwarded to Congress, thunder will rumble from the potato farms of Aroostook to the cotton fields of Georgia. Lightnings will flash from the peach orchards of Delaware to the vineyards of California. A good many volumes of statistics will be required to convince the average 'dirt' farmer that changing the Bureau of Roads and the Forest Service to the Department of the Interior is for the best goo of the country. Such a move would tendto consolidate the farmer vote. It would constitute the finest issue imaginable upon which a Farmer party could be organized which would draw strength from the ranks of both Republicans and Democrats. ... To make a football of the Department of Agriculture will be the most foolish action any party can take. Right or wrong, the real farmers of the United Sta will not endure it. ..."

2. The National Stockman and Farmer for May 27 says in an editorial: "In a statement setting forth the policy of the Department of Agriculture in enforcing the Stockyards Control Act, Secretary Wallace says, 'No arbitrary action will be taken. Every man will have a fair hearing and every opportunity given him to voluntarily corre any practices which seem to be in violation of the law'. Everett C.
(Cont'd on page 5)

Department of Agriculture (Cont'd)

2. Brown, President of the National Livestock Exchange, urges the full support of the exchanges in 'carrying out most fully and successfully the making of the stockyard centers even a more satisfactory place to transact the live-stock business of the country in the future than in the past. After considerable turmoil both sides have got together and find they are working for the same thing - free, open markets and the elimination of unfair practices. A better understanding of the other fellow's views and aims will usually clear up a murky situation."

Section 4.

MARKET QUOTATIONS.

Farm Products

May 31: Chicago wheat market unsettled; July futures closing lower at $1.18 1/2; export demand improved. New crop winters sold abroad despite sharp break in Liverpool. Corn lower early with wheat but advanced toward last on short covering and buying by elevator interests. Chicago July corn higher at 62 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.16; No. 2 hard winter wheat $1.16; No. 2 mixed corn $1.15; No. 2 yellow corn $1.15; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in central Iowa 47¢; No. 2 hard winter wheat in central Kansas $1.10; No. 1 dark northern wheat in central North Dakota $1.28 1/2.

Chicago hog prices down 15 to 25¢; bulk of sales $10.15 to $10.75 Medium and good beef steers at $7.85 to $8.85; butcher cows and heifers steady at $4.35 to $8.60. Shorn and spring lambs 25 to 50¢ lower, others slow to lower. Fat lambs $9.75 to $13.00.

Potato markets irregular. Virginia and Carolina Cobblers $4.00 to $5.50 per bbl. Georgia Cobblers and Bliss Triumphs $4.75 to $5.50 in Philadelphia and Pittsburgh. Strawberry markets slow and weak. New Jersey, Delaware and Maryland, various varieties 15-24¢ qt. in leading eastern markets. Georgia Uneeda peaches slightly weaker in city markets at $2.00 to $3.00 six-basket carrier and bushel basket.

Buttermarkets barely steady to weak. Increasing interest in buying for storage. Cheese markets steady to firm. Receipts at primary markets showing full grass flavor, but as yet no interest in storing has developed at wholesale distributing centers.

Spot cotton down 14 points, closing at 20.42¢ per lb. New York July futures down 24 points at 20.65¢. (Prep. by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Average closing prices	May 31	May 29	May 31, 1921.
20 Industrials	95.63	96.41	73.51
20 R. R. stocks	85.53	86.83	71.89

(Wall St. Jour., June 1.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 53. Section 1. June 2, 1922.

Bureau of Efficiency Criticized

Senator Sterling June 1 addressed the Senate in opposition to the plan of Herbert D. Brown, chief of the Bureau of Efficiency, for the reclassification of Government employees. He also introduced a resolution providing for an investigation by the Senate Committee on Civil Service of activities, methods and procedure of the Bureau of Efficiency in devising and installing a system of classification of positions, salary, standardization, and efficiency ratings in the Federal service. Senator Sterling said the plan sponsored by Brown already has been rejected by the Civil Service committees in both House and Senate in the shape of the Smoot and Wood bills. He added that the Lehlbach reclassification measure, with amendments as passed the House, has been favorably reported by the Senate Civil Service Committee and is now being considered by the Senate Appropriations Committee. (Cong. Rec. June 1.)

Muscle Shoals

The Secretary of War suggested before the Senate Committee on Agriculture and Forestry June 1 that Congress create a Federal agency to negotiate contracts for the sale, lease and development of the Muscle Shoals project. Chairman Norris, of the agricultural committee, offered an amendment to the army appropriation bill providing $7,500,000 for continuation of work on dam 2 of the Shoals project. (Press, June 2.)

Retirement Legislation

Representative Fairfield appeared before the House Rules Committee June 1 seeking privileged consideration in the House of his bill to amend the retirement act so as to take care of the veteran employes caught in an emergency arising out of summary dismissal from the service, due to a reduction of force. The committee postponed action, but assured Mr. Fairfield that they would give consideration to his arguments a little later when they had more time to study conditions. (Press, June 2.)

International Financing

An Associated Press dispatch from Paris to-day says: "The bankers' committee which is considering the project of a German international loan, after taking official cognizance of the approval given by the reparations commission to the German reply to the commission's ultimatum, adjourned until June 7, for the Whitsuntide holidays."

Section 2.

Agricultural Situation

Steady improvement in the expected yield of the principal agricultural products was indicated during May, according to the monthly summary of business and financial conditions issued June 1 by the Federal Reserve Board. Improvement in the prices of cotton, grains and other products was also a feature of the month, while business showed steady improvement despite diminished export shipments of agricultural products and a further slackening of the demand for agricultural products for domestic use.

Federal Reserve bulletins report from various districts as follows: Third district--(Philadelphia)--"Agricultural conditions have changed since the middle of April from mediocre to good... Costs of farming are generally reported to be somewhat lower this year. Fertilizer prices have come down, a large drop having occurred since February. As a result, larger quantities are being used by farmers. Sixteen per cent acid phosphate is being used most. The price of machinery has fallen to a small extent. The supply of labor is sufficient in most counties, and wages are lower than they were last spring. The outlook for agriculture this year is generally reported to be more favorable than it has been in recent years. This is attributed partly to fairly satisfactory condition of crops, together with improvement in the weather since May 1, and partly to the lower cost of production and the recent increases in the price of farm products." Eighth district--St. Louis--"A decided turn for the better during the past thirty days is almost universally indicated in replies to questionnaires addressed by this bank to leading business interests throughout the Eighth Federal Reserve District. The improvement affects both actual volume of transactions and sentiment. In all branches of activity notable strides have been made in the direction of normal, and there seems to be more confidence in values and the future of business than at any time in more than eighteen months. This confidence is being manifested in a disposition to deviate somewhat from the recent practice of purchasing only enough for immediate requirements on the part of merchants, and among agriculturists to enter with greater enthusiasm upon the tasks incident to heavier production of crops and live stock. All sections of the district have participated to a greater or lesser degree in the improvement, but the grain areas appear to be making the most notable progress at the moment. In those areas spring farm operations are under way, and supplies for this work are moving well. With the single exception of oats, prospects are for larger acreages of cereals than a year ago. Purchases of farm implements, while not so heavy as in former seasons, are in considerably heavier volume than a year ago. In the South planting of cotton has been pressed, advantage being taken of every favorable day to seed additional acreage. Prices of cotton have advanced, and prices of cereals and live stock during the period under review were well maintained. In marked contrast with the corresponding period in 1921, prospects for fruits in this district are magnificent." Ninth district--Minneapolia--"The month is characterized by an improvement in the crop outlook, stabilized or improving prices for farm and range produce, and improved buying in urban centers owing to a large building program and the reopening of copper and iron mines, while credit facilities are in a position to finance a substantial increase both in industry and marketing. Crop prospects appear very promising at the present time."

Federal Land Banks Cut Interest

Reduction in the rate of interest charged farmers by Federal Land Banks from 6 per cent. to 5½ per cent, effective June 1, has been announced by Commissioner Lobdell of the Farm Loan Board. The reduction in the rate, Mr. Lobdell explained, was the result of the successful flotation of $75,000,000 in 4½ per cent. farm loan bonds, the proceeds of which are now available for loaning purposes. (Press, June 1.)

Potash Tariff

"More than the usual amount of bunk is being worked off on farmers regarding the extortionate tariff on potash. These high rates are in the bill as passed by the House and also in the measure as now pending before the Senate. Of course, every farmer knows that if the politicians really want to encourage the domestic production of potash, it can be done by paying a subsidy for a few years on every pound of potash actually produced in the United States. But this is not satisfactory to the few producers of potash, because they want legal authority to compel American farmers to pay the highest possible prices for potash. The advocates of such prices grow red in the face against German potash, as though it were the only other available supply. Lots of potash is obtainable from Alsace in France, from Spain and from Africa. It is more than likely also that the new electrical process of extracting potassium from our felspathic rocks may some day produce potash even more cheaply than it can be mined abroad. Every civilized nation always has admitted plant food duty free. The United States should adhere to the same policy. And if Germany is not allowed even to ship her potash to us, how can she pay for our surplus produce that we want to ship her and that she so much needs?"(New England Homestead, May 27,1922.)

Rate Reduction

Theo. H. Price says in his weekly review, in Commerce and Finance for May 31: "A 10 per cent reduction in our railway freight rates and a meeting of the world's greatest bankers in Paris to consider lending between one and four billion dollars to Germany were the outstanding events of last week in the business world. Their significance is not yet appreciated or rightly understood. In the stock market the reduction in freight rates was unfavorably construed and this construction was reflected by a slight decline in railway shares. It will be short lived, for the lower rates will greatly augment the traffic and bring an increase in gross earnings that will benefit both the country and the carriers. When about two years before his death I was talking of railway rates to the late E. H. Harriman, he said, 'Price, give me the gross and I will take care of the net. The earnings of a railway depend upon the density of its traffic. If I can get all the freight I can haul that is all I want.' In these epigrams Mr. Harriman briefed the policy that made his roads successful. The larger the traffic the cheaper he was able to carry it, and I venture the prediction that the increase in gross revenue which will follow the rate reduction ordered last week will be so surprising that the railways will themselves take the initiative in applying for a further reduction. Cheaper transportation and greater profits I believe would soon follow if Secretary Mellon's proposal for removal of Government restrictions on rate making for five years were adopted, though there is little likelihood that it will win public support. With the lower rates effective July 1 comes also a wage reduction that means a saving of $48,000,000 a year in maintenence costs, with probable reductions pending in other branches of the service totaling $100,000,000 more."

Wheat Prospect

The Wall Street Journal for June 1 says: "Russia, according to the 'Soviet Agricultural Department,' has the promise of a good wheat crop. The spring sowing campaign, it says, has been accomplished with considerable success. All native seed has been delivered to the appointed districts, while most of the foreign seed on passage will arrive in time for sowing. Weather conditions are favorable and augur well for the future of the crops. If this Bolshevik statement were true, it might have some effect upon the politics of Europe; it certainly would profoundly affect the wheat market of the world. But the grim fact is that a one-time great exporter of food stuffs is doomed to further hunger....Broomhall published the dispatch, with a polite reminder that its whole tone is in direct contradiction to recent unofficial, but reliable advices... The British Commission on Famine Relief estimates that only 35 per cent of the prewar grain area was seeded last autumn. The seed wheat sent to Russia arrived too late for spring sowing. The commission estimates that the best harvest conditions that can be hoped for will be less than half of Russia's own requirements. Should harvest conditions be unfavorable the production will be still smaller. Grain markets of the world will not be affected this year by Russian competition. Nor are they likely to be affected in this way for some years to come. They are more apt to be called upon to answer the calls of charity for Russia. Added to this prospect is one sinister thought that should not be put away from the mind because it is so grim. It is this: With Russia no longer one of the world's almoners, what would the world do should anything happen to the crops of either Canada or the United States? Many have advocated reduction in acreage here; should it be done?"

Wheat Trading

A Chicago dispatch from Chicago to the New York Times of May 31 says in part: "Interest in the wheat trade centered to-day at Winnipeg, where of late big operations related to Chicago dealings have been reported as in progress. It has been the general understanding here that a huge spread, that is simultaneous buying at Winnipeg and selling at Chicago, was largely the basis of the sensational price changes which have characterized the Chicago wheat market during the last few weeks, and which have been to a great extent responsible for the sudden shipment of about 10,000,000 bushels of wheat to Chicago....."

Wool Marketing in Oregon

Only about 5 per cent of this season's wool clip from Oregon and adjacent States remains unsold. Demand this spring has been strong from eastern buyers and prices have ranged as high as 42 cents for best clips. A price of 35 cents paid this week for the 1,750,000 pounds of medium-grade wool from 200,000 sheep of United States Senator Stanfield and Swift & Co., ranging in Eastern Oregon and Southern Idaho, is said to be 50 per cent greater than the price offered a year ago and double what it would have brought early this year.(Portland dispatch to press,May 31.)

Section 3

Department of Agriculture

"Sportsmen are naturally concerned about the Federal Public Shooting Ground and Game Refuge bill, when the provision for creating a 'migratory bird protection fund' from the receipts for hunters' licenses is changed in committee into an authorization to Congress to appropriate annually from the sum of those receipts the moneys required to carry out the purposes of the act.,,,,...'We do not want,' says a sportsman, 'to see this bill passed in such a form as to make it necessary to conduct a campaign each year to compel Congress to give the sportsmen what is justly theirs'. That is the case in a nutshell against the amendment of the bill. In his efforts to have the original provision restored when this worthy measure comes up again, Representative Anthony should have the support of every Representative who believes in a square deal." (N.Y. Times, May 28.)

Section 4.

MARKET QUOTATIONS.

Farm Products

June 1: Chicago wheat market narrow and unsettled, but with prompt recoveries. Chicago July wheat higher at $1.19; Chicago July corn lower at 62¢. Cash market strong. Milling and export demand improved. Crop news generally optimistic. Closing prices in Chicago cash market: No. 2 red winter wheat $1.20; No. 2 hard winter wheat $1.20; No. 2 mixed corn 60¢; No. 2 yellow corn 61¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 47¢; No. 1 dark northern wheat in Central North Dakota $1.28 1/2; No. 2 hard winter wheat in Central Kansas $1.15.

Chicago hog prices down 15 to 20¢, bulk of sales $10.10 to $10.55; beef steers steady to 10¢ higher; medium and good grades $7.85 to $8.85; butcher cows and heifers steady at $4.25 to $8.60; fat lambs $9.75 to $13.00.

Potato markets slow and dull for old stock. South Carolina Cobblers $4.75 to $5.50 per bbl. in eastern markets. Georgia Bliss Triumphs steady in Philadelphia and Cincinnati at $5.00 to $5.25. Watermelons weaker in Florida. Tom Watsons 22-28 lb. average $400-$500 bulk per car leading cities. Georgia Uneeda peaches, sixes, weaker in city wholesale markets at $1.75 to $2.50.

Hay market slightly easier in tone but best grades continue in good demand at fairly steady prices. Large part of receipts poor quality and not in demand. Wheat feeds dull at declining prices. Linseed and cottonseed in demand with light stocks and production. Corn feeds firm and active. Butter markets steady to firm; increasing interest in buying for storage. Cheese markets steady to firm. Prices reduced on most styles following Monday declines on Wisconsin cheese boards.

Spot cotton down 12 points, closing at 20.30¢ per lb. New York July futures down 19 points at 20.46¢. (Prep. by Bur. of Markets and Crop Estimates)

Industrials and Railroads

Average closing prices	June 1	May 31	June 1, 1921.
20 Industrials	96.03	95.63	73.06
20 R. R. stocks	85.23	85.53	71.75

(Wall St. Jour., June 2.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 54. Section 1. June 3, 1922.

Federal Reserve Board

The Philadelphia Public Ledger to-day says: "Indications were given at the White House June 2 that W. P. G. Harding, Governor of the Federal Reserve Board, would be reappointed to membership at the conclusion of his term of office in August. President Harding is said to feel that an act of Congress creating an additional place on the board and at the same time indicating the desirability of the placing of a representative of agricultural interests on the board will give him sufficient latitude to retain the services of the present governor."

Western Roads Agree to Rate Cut

Western railroads June 1 announced their intention of complying with the recent $400,000,000 freight rate slash of the Interstate Commerce Commission, in line with the announcement of eastern roads several days ago that they would comply with the commission's decision. (Assoc. Press, June 2.)

Muscle Shoals

An amendment offered by Senator Norris appropriating $7,500,000 to continue construction on dam No. 2 at Muscle Shoals was adopted June 2. (Cong. Rec. June 2.)

War Finance Corporation Extension

The House June 2 began consideration of the bill to extend the powers of the War Finance Corporation for a period of one year to carry out provisions of the act providing for relief for producers and dealers in agricultural products. (Cong. Rec., June 2.)

Reclassification Legislation

Chairman Warren, of the Senate Appropriations Committee, announced June 2, that consideration was to be given at a very early day of the reclassification bill, under which Government employees here and throughout the country are to be allowed increased pay. A subcommittee consisting of Senators Smoot, Curtis, McKinley, Lenroot, Overman, Harris and Glass was appointed to consider the measure. (Press, June 3.)

Section 2.

Agricultural Exports

The total value of exports of agricultural products is about the same as for last year and about twice the prewar average for the month of April, according to the Foodstuffs Division of the Department of Commerce. The average prewar value of grain, meat, and cotton exports for the month of April was about $59,000,000, for April, 1922, this amounted to $102,386,698. Domestic exports of all cereals for April, while a little less than for the month of March, amounts to over a million tons, against a prewar average for the month of April of about a quarter of a million. Approximately half of this is made up of corn. For the past six months the exports of corn have increased while the exports of wheat have been declining. The total exports of corn for the last four months are over 85,000,000 bushels, against 38,000,000 bushels for the same period last year, and an average of 24,000,000 bushels for the 1910-14 period. (From report, June 3.)

Farmer on Reserve Board

The National City Bank of New York says, in its review of economic conditions, issued June 3: "Congress has now passed the bill to modify the complexion of the Board, for the very purpose of minimizing expert judgment and giving greater strength to the popular influence most likely to lead it into error. The new member will be only one of eight, a motion to add also a representative of organized labor having been voted down, we do not know why. It is very likely that the President in making his selection of a farmer will choose a broad-minded man who will soon learn, if he does not already know, that the interests of the farmers are best served by the same kind of banking policy that best serves all interests and who will soon make himself master of the established principles of banking policy. The objection to the measure is not that it is dangerous to have a farmer on the Board, but that all the arguments for it have been unsound. It has been carried through by one of the spasms of ill-informed opinion of which the creation of the 'bloc' itself is the chief expression."

Farmers and Subsidies

The National Stockman and Farmer for June 3 says: "The position of the National Grange on the ship subsidy question is well defined. For many years that organization has expressed its opposition to ship subsidies or any other Government subsidies to private enterprise. The position of the American Farm Bureau Federation is not so clear. President Howard has recorded the federation as in favor of temporary subsidies--'until our flag can be established on the high seas but no longer'--but the federation has taken no vote on the question. Perhaps its members are like Grangers, opposed on principle to subsidies in general and ship subsidies in particular. At any rate the anti-subsidy policy is economically sound, though the present conditions afford more arguments for subsidy than could be scared up in the past. We venture to predict that experience will show there is no such a critter as a temporary subsidy."

Farm Relief in Australia

The Australian Federal Government, according to cabled advices just received by the Department of Commerce from Trade Commissioner Sanger, has decided to assist the pastoral industry this season by a subsidy of one-fourth pence a pound on beef, relief which, with a reduction of wages of 2 shillings a day and some reduction of ocean freight rates, will, it is believed, enable the Queensland meat works, many of which have long been closed or working short time, to resume operations on a fairly normal scale.(From report, June 3.)

Foreign Trade

Exports to Europe increased during April as compared with the same month last year, but exports to South America declined, it was shown in trade reports issued June 1, by the Department of Commerce. Imports from both Europe and South America declined. Exports to Europe during April aggregated $182,000,000, compared with $175,000,000 in April a year ago, while imports were valued at $66,000,000, against $69,000,000 in April, 1921. For the ten months ended with April exports to Europe were $1,711,000,000, against $3,054,000,000 during the same months last year, while imports for the period amounted to $680,000,000, compared with $822,000,000 during the ten months ended April, 1921.(Press, June 1.)

Forestation

American Forestry for June contains an editorial entitled "Lumbermen Turning to Forestry," which says in part: "American lumbering is in the early stages of evolution. It is turning to the principles of forestry. This trend may not be perceptible to the average citizen. It probably is not, but it is nevertheless true that in almost every timber region of the United States lumbermen may be found who have, within the past five years, turned to some form of forest management. Their number, of course, is relatively small, but their action is highly significant. They have not been prompted by sentiment. They have studied the ground, looked into the future, and have made up their minds that forestry embodies the business principles with which to meet economic changes pressing in upon them. .....In the Lake States no less keen and practical a man than Henry Ford is practicing forestry--not as a fad but as a part of his automobile business. In the Northeast, a number of lumber and pulp companies have employed foresters and are proceeding along lines of permanent operations. These men are real leaders in their chosen fields. They are the vanguard of the industry's progressive wing. They are practical, far-seeing men, whose example belies the declaration of many lumbermen for years that forestry is not practicable."

Referring to forestry legislation, the same editorial says: "Members of the House Committee on Agriculture, before which exhaustive hearings on the Snell Bill were held in January, frankly admit that there is little chance of the Committee reporting out a bill of any kind at this session. It is known that the Committee is divided as to the character of legislation which should be recommended. What is more unfortunate, it apparently has not made a determined effort to reconcile differences and to draft a bill which would be acceptable and would lay the legislative ground-work for the development of a broader and more inclusive policy later. That is the least that could be done."

Forestation in Britain

In a review of "England's Forestry Problem," J. J. Broderick, commercial counsellor of the British Embassy at Washington, says in American Forestry for June: "The war consumption of timber was a very costly lesson, and I doubt whether our people have thoroughly learned it yet. However, it impressed the British Ministry of Reconstruction probably as much as any other factor in our postwar situation. The Ministry made strong recommendations about it. They recommended, amongst other things, that the Government should spend some $60,000,000 in planting such waste lands as existed, the programme of planting to be carried out over a comparatively short period of time. In the year 1919 the subject was taken up in Parliament and an Act was passed establishing a Forest Commission composed of eight members to work out a carefully planned forest policy for the whole of the Kingdom. A considerable appropriation was set aside for the planting of 250,000 acres in 10 years and of nearly 2,000,000 acres in 80 years."

St. Lawrence Waterway

"Canada's refusal to negotiate a treaty with the United States to permit the construction of the St. Lawrence canal project puts an end to the scheme unless a way can be found to make it an all-American canal. The Canadian Government is undoubtedly influenced by financial considerations, which would apply with equal force to the consideration of the plan by this country. The plan is an alluring one, and has captured the imagination of the Middle West, but calm consideration of the subject does not demonstrate the urgency of the demand for the canal. The power project, which is part of the plan, seems to be feasible and should help materially in the matter of financial return, but it would hardly justify the United States taking upon itself the burden of the entire proposition, especially at this time. Congress could hardly be induced to take over Canada's share and thus make our northern neighbor a present of what she would feel too poor to pay for on her own account, for the canal, once built, would be just as much benefit to Canada as to us, for we could not deny her access to it. The scheme, therefore, might as well be considered dead."(N.Y.Commercial, June1.)

Wool

A dispatch from Boston to The Washington Star, June 1, states that the wool market continues strong and the advance of from $2\frac{1}{2}$ to 25 cents a yard in the prices of worsted goods by the American Woolen Company was a factor. That company is reported to have bought considerable wool in bond. Prices on the Montana ranges are advancing, recent sales having been recorded as high as 41 3/8 cents a pound unscoured, with a good quantity selling around 38 cents. Buyers are picking up odd lots of Texas wools around 50 cents while waiting for the Kerrville and Delric sales. About 2,000,000 pounds of California wools have arrived and are being sold around 1.25 to 1.30 on a clean landed basis.

Wool Marketing

The National Stockman and Farmer for June 3 says in an editorial entitled "Less Wool Pooled": "Last year some farmers who refused to pool their wool got more money for it than the poolers got. That caused many poolers of last year to remain outside this year, and now some of them have sold their wool for less than the poolers can get. They have whipsawed themselves, and individually they have furnished another example of the fact that nobody can always hit the

high price, regardless of the method of marketing. Too much has been made of the price in all this wool marketing agitation anyhow. The chief advantage of the pool is not the price any individual gets in the pool or outside, but it is the fact that pooled wool is graded and sold according to its value, so that the producer of good wool is rewarded and the producer of inferior wool is penalized; also in the effect that pooling a part of the wool may have on the market for all of it.....After last year's experience it is natural that many should sell outside the pool this year. After this year's experience it may be just as natural for them to pool again next year. The new method of marketing should not be judged by one year's experience or two, but many will so judge it. The best system will survive and its occasional bumps will only make it stronger in the end.."

Section 3

MEETINGS, HEARINGS AND VISITORS

L. M. Duncan, director of the Extension Service of Alabama, will be at the Office of Extension Work of States Relations Service on June 6 and 7.

Section 4.

MARKET QUOTATIONS.

Farm Products

June 2: Chicago wheat market unsettled within narrow range; prices easily influenced. Cash wheat in good demand with millers in market and cash basis firmer. Chicago July wheat lower at $1.18¼; Chicago July corn lower at 62¢. Corn prices follow wheat. Closing prices in Chicago cash market: No. 2 red winter wheat $1.21; No. 2 hard winter wheat $1.20; No. 2 mixed corn 60¢; No. 2 yellow corn 61¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in central Iowa about 47¢; No. 1 dark northern wheat in central North Dakota $1.28¼ ; No. 2 hard winter wheat in central Kansas $1.12.

Chicago hog market active; prices steady; bulk of sales $10.15 to $10.65. Beef steers strong to 10¢ higher; medium and good beef steers $7.90 to $8.90; butcher cows and heifers steady at $4.25 to $8.60; fat lambs $9.75 to $12.85.

Potato market steady to firm for new stock. Carolina Cobblers $5 to $6 per bbl. in eastern markets and Chicago; firm at shipping points at $4.25 to $4.50. Virginia Cobblers $5.00 to $5.25 in Philadelphia. Texas, Alabama and Louisiana Bliss Triumphs $2.75 to $3.25 per 100 lbs. in Chicago and Cincinnati. Eastern strawberries 12-20¢ qt. in eastern markets. Florida tomatoes sixes, $3.50 to $5.50. Tom Watson watermelons, medium sizes ranged generally $300-$500, bulk per car. Georgia and North Carolina peaches early varieties, sixes, $1.50 to $2.25.

Hay market fairly steady on good graded because of light receipts. Alfalfa market weak. Wheatfeeds weak and lower. Eastern resellers pressing sales of transit feed. Corn feeds active and in good demand. Prices steady. Cheese markets steady to firm. Current demand lighter and no active buying for storage has occurred.

Spot cotton up 21 points at 20.51¢ per lb. New York July futures up 36 points at 20.82¢.

Butter markets closed firm to-day and the price tendency is upward. There is an increasing interest in buying for storage purposes; good consumptive demand.(Prepared by Bureau of Markets and Crop Estimates.)

Industrials and Railroads

Average closing prices	June 2	June 1	June 2, 192
20 Industrials	96.36	96.03	72.37
20 R. R. stocks	85.14	85.23	71.87

(Wall St. Jour., June 3.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 55. Section 1. June 5,1922.

Department Buildings Urged In Congressional Report

A nbuilding program which will result in the housing of all Government departments and bureaus in permanent fireproof structures was recommended to Congress June 3, when Senator Smoot, chairman of the Public Buildings Commission, submitted the report of the commission to the Senate. "After three years' experience in dealing with the housing of the Government departments in this city, this commission," the report says, "is unanimously of the opinion that at the earliest practicable date Congress should adopt a building program which will lead to the housing of all Government departments in permanent fireproof structures. The report further states that among the most urgent needs of the Government for new buildings at this time are an archives building for the storage of records and archives of the Government and a Department of Agriculture building. Regarding the needs of the Department of Agriculture the report says: "This department is probably the worst housed institution in the city of Washington. It is now occupying twenty-five buildings scattered over the city, and many of them are poorly adapted for office purposes." The report shows a reduction in amount of annual rentals paid for Government buildings in Washington from $1,135,897 in May, 1919, to $545,873 in May, 1922. (Press, June 4.)

Ship Subsidy Legislation

President Harding's suggestion to House members that speedy action be had on the administration's ship subsidy bill met the approval of Senator Jones, of Washington, who, in a formal statement yesterday, declared the Executive "fully justified in insisting" that Congress pass or reject the program at this session. As chairman of the Senate Commerce Committee, Mr. Jones will have charge of the measure in the Senate.(Assoc. Press, June 5.)

Future Trading Legislation

The House Committee on Agriculture will begin the redrafting of legislation to control future trading in grain on June 7, according to to-day's press.

Muscle Shoals

Completion and continued operation of the Muscle Shoals power project was urged before the Senate Committee on Agriculture and Forestry June 3 by O. C. Merrill, executive officer of the Federal Power Commission. Henry Ford's proposal to develop the Government's power projects at Muscle Shoals was given conditional approval by the House Military Affairs Committee. (Press, June 4.)

Section 2

Agricultural Financing

The War Finance Corporation announces that on May 29 and May 31, 1922, it approved 23 advances, aggregating $493,000, for agricultural and live-stock purposes in 12 States.(W.F.C. press statement, June 1.)

Agriculture in Sixth Reserve District

The monthly business review of the Federal Reserve Bank of Atlanta for May 29 says: "Agricultural conditions in some parts of the Sixth Federal Reserve District have improved considerably during the past month, while other parts of the district have been less fortunate. General rains throughout the plains States and the Mississippi Valley have caused local floods in many places. Unusually high water has broken the Mississippi River levees at three points in Louisiana where many hundred thousands of acres of farm lands are under water. One estimate places the figure at nine hundred thousand acres; millions of dollars worth of property, including crops, have been destroyed, and there is a gloomy outlook for agricultural work in this area. It will be very difficult, reports state, if not impossible, to produce a crop of cotton on the land inundated, and correspondents state that it will also be impossible to raise corn on this land because of the fact that where corn is planted after an overflow cut worms always appear and cut the plants down as soon as they get above the ground. Business conditions in this section are reported to be very much affected by the high water condition, not only in the volume of business but also in a gradual decline of deposits in the banks."

Creamery Inspection

The Pacific Dairy Review for May 18 says: "Now comes the report that a bill has been introduced in Congress to provide for Federal inspection of creameries whose product enters into interstate trade. While details of its provisions are lacking at this time there is no doubt but that the object is to place creameries on the same footing as the meat-packing plants. We have been hoping that we were at the end of governmental interference in business affairs, but we are not surprised at this turn of affairs in the creamery business. In fact, we have been surprised that it has not happened before this. When you read the never-ending story in the dairy papers about rotten cream and hear it continually talked about among creamerymen you can rest assured that the public will catch the scent of it. It is easy to recall how the meat packers got themselves under the heels of the Federal law as a result of reports, probably to a large extent unjustified, of scandalous conditions that prevailed in the industry. The bad cream evil may not have reached the stage of a scandal, but it has been the skeleton in the closet of the industry for many years. Although the evil has been unanimously condemned, practically nothing has been done toward solving the problem. And it's all the result of greed. 'Cream, cream, cream, give us any old thing, so long as it's cream.' This sentiment has been all too common in the creamery industry."

Crop Insurance

The Pennsylvania Farmer for June 3 says in an editorial: "When a manufacturer lays in a stock of raw materials he insures it against loss by fire, theft or any other hazard to which it may be exposed. During the whole process of manufacture he is protected against loss. If before the process of manufacture is completed the

market for the product is lost work is suspended or the goods are finished and put into storage to be held until they can be sold at a profit. When a farmer lays in his supply of raw materials, seed and fertilizer, and expends his money in labor, he faces loss by drought, by wind, by hail, by 'drowning out,' and other causes, with no insurance to protect him. If he sees, in the middle of the season, that he will not have a good market for his product he can not close down his plant or stop the process of manufacture--that of growth--and have it start again as soon as conditions seem favorable. Once he has started he can not stop or even slow down. Risks during the growing season might be covered by crop insurance. Risks in the marketing of crops after they are grown might be eliminated by price fixing or price guarantees. Most farmers would be willing to forego any advantage they might derive from guaranteed prices if they could insure themselves against loss or damage of their crops during the growing and harvesting season. Any serious attempt to insure crops will meet with great difficulties. Whether taken up by the Government, cooperative organizations or private concerns, the work will have to be done on a large scale. The whole undertaking can not be jeopardized by the loss of an entire crop in one section of the country which is subject to the same climatic conditions. The problems are enormous but they can be solved and must be solved if farmers are to apply real business methods to their work. The individual can not bear all the risk unless he makes enough profit in the good years to tide him over the poor years. As he is not doing that now and as there is now no way of avoiding the risks of crop production, there must be some means devised whereby at least a part of the element of gambling can be removed from the business of farming."

Farmer on Reserve Board

The New York Times to-day says in an editorial: "At about the same hour that the New York Chamber of Commerce was resolving that Mr. Harding should be reappointed Governor of the Federal Reserve, the White House was intimating that he would be. The farm bloc is not as united on its candidate to be appointed to the Federal Reserve as other interests are in approval of the precedent set by Governor Harding's reappointment--that neither economic nor political partisanship should control this vital interest. That Governor Harding has no antagonism to the representation of the agricultural interests is explicit on the record that he is a better friedd of the farmers than they know, or than a 'dirt farmer' perhaps may be. The President of the American Farm Bureau Federation, Mr. J. R. Howard, is said to be in favor at the White House. The agrarians could hardly complain of such a representative, and he would be acceptable to many others. There is a suggestion of an eastern candidate against a Western, and of a cattle raiser against a grain raiser. Why not a cotton planter? Mr. Howard is a Western farmer, but his representative capacity is national and avoids schisms within his party. From no quarter is there heard any objection to fair treatment of the farmers by the banks, but there has been objection to unfair treatment of the banks by the farmers. It is as true that banking should be done on banking principles as that farmers make the best farms."

Grain Trading

The Prairie Farmer for May 27 says in an editorial: "Some of the broader-minded men in the grain trade themselves realize the unsoundness of the present speculative system of grain marketing. The near-corner in May wheat resulted in the shipment of millions of bushels of wheat from other markets to Chicago to fill contracts. This wheat was moved out of its natural trade channels at great expense, solely to meet a situation brought about by speculation and attempted manipulation of the market, the expense of the long run/met either by producer or consumer, or both. Julius Barnes, one of the prominent men in the grain trade, calls attention to this wasteful procedure, and suggests a new method of future trading which will avoid similar conditions in the future. We have not seen the details of his plan, but it may be a step in the right direction. We would suggest, however, that he consider some method of price insurance on a straight insurance basis, without speculative features and without the possibility of widespread public gambling in grain and market manipulation. If the grain trade is wise enough to interpret public sentiment, it will realize that it will have to stop grain gambling itself, or it will be surely stopped by law."

Ship Subsidy and Farmers

"A proposed ship subsidy law has been indorsed by J. R. Howard, president of the American Farm Bureau Federation. He says that vessels belonging to citizens of other countries give the best of it to shippers of their own nationalities. This is, no doubt, true. And, of course, when a shipment of American made goods is delayed, it hurts the export business of the American firm. Other nations enhance the number of their ships by paying subsidies to the men who own them. So, the argument is, we should do the same thing. The theory advanced by those who want the subsidies is that the better servicesrendered by American ships to American shippers would result in increased prices to American farmers for their products. In this way, the farmer, it is suggested, would get back all his tax money and more with it. This may be all right. If the president of the Farm Bureau indorses it, it is worth studying. And, of course, we all will study it. But Northwest Farmstead is approaching its own research, it is compelled to admit, with some misgivings. We have seen farmers give up money on promises of big future profits before. And, somehow or other, the schemes too often seem to break down just after the farmer has given up his money. The return of the capital, to say nothing of the profits, mysteriously fails to materialize. Because it knows that Mr. Howard is absolutely honest and sincere, Northwest Farmstead is willing to study the scheme some more. But, somehow, it can't seem to overcome entirely the lurking dread that it will find that some very able salesmen have imposed on another Iowa farmer with a gold brick. (Northwest Farmstead, June 1.)

Tariff and Canadian Trade

A dispatch from Ottawa to the press of June 3 says: "The action of the Canadian Government in increasing the preference on quite a number of imports from Great Britain, while doing little in the way of reducing rates on imports from the United States, is rightly interpreted in a sense as Canada's attitude toward the Fordney tariff."

Warehouse Plans

The Ohio Farmer for May 27 says, in commenting upon Thomas A. Edison's plan for warehousing agricultural products: "In making his recommendation to Congress, Mr. Edison does not indicate whether or not he has investigated the Federal warehouse plan, by which essentially the same thing can be done. The principal difference between the Edison plan and the Federal warehouse plan is that the latter is ready for operation right now; it does not contemplate new warehouses at great expense but utilizes storage space that is already available; and the loans are to be made by banks in the regular way, just as any other business man gets his loans. The only thing the matter with the Federal warehouse plan, so far as we can determine, is that it has not been utilized. For several years its benefits have been available, but except among the cotton producers it has been practically ignored. There is little reason for inaugurating new plans when the ones that we have are not being put into use. The plan suggested by Mr. Edison offers approval of the Federal warehouse plan in principle, and if it directs constructive attention to the act that is already on the statutes it will have accomplished something."

Section 3

Department of Agriculture

The Wall Street Journal to-day says in an editorial: "Far from being discouraged by the action of the Supreme Court in knocking out his law for regulating the grain exchanges, Senator Capper is still in the ring. This time, instead of attempting to use the taxing power to regulate--and perhaps destroy--he proposes to accomplish his aim through the interstate commerce clause. If there are any abuses in the grain trade which the Senator can cure without introducing still greater ones Wall Street has no objections. But there is doubt of the need of this legislation, or the power to enact it. Notwithstanding the decision of the court a month ago in the case of Stafford against Wallace--the stockyards case--it is not absolutely certain that the regulatory power of Congress can be stretched to the limits desired by the United Grain Growers, Senator Capper and some others of like mind. The court upheld the constitutionality of the Stockyards Act wherein commission men and traders were regulated in sales completed and ended in the yards. This is not interstate commerce, but the reasoning of the court seemed to be that there were exorbitant charges, collusion and dishonest practices that, if unregulated, would be an interference with the interstate commerce in live stock. This clearly establishes the power of Congress to legislate against the imposition of a direct burden upon interstate commerce. But can it be shown that there is such a burden upon interstate commerce in grain? Is so, can it be cured by compelling an exchange to admit to its membership a representative of the United Grain Growers or of some farm marketing organization, who will receive all the benefits of the exchange machinery and give his employers practically free service? That seemed to be the aim of the former law. Wheat is handled through the exchanges now for a less cost per bushel than the farmers, working singly or in concert, could afford. Can it be shown that charges are exorbitant?"

Section 4.

MARKET QUOTATIONS.

Farm Products

June 3: Wheat prices lower on liquidation. Stop-loss selling added to weakness. No export business reported. Crop reports mixed. Chicago July wheat lower at $1.14 7/8; Chicago July corn lower at 60 3/4¢. Closing prices in Chicago cash market: No.2 red winter wheat $1.18; No. 2 hard winter wheat $1.17; No. 2 mixed corn 59¢; No. 2 yellow corn 60¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 46¢; No. 1 dark northern wheat in Central North Dakota $1.28; no. 2 hard winter wheat in Central Kansas $1.11.

Chicago hog prices about steady, bulk of sales $10.05 to $10.60. Other live-stock prices steady; medium and good beef steers $7.90 to $8.90; butcher cows and heifers $4.25 to $8.60; light and medium weight veal calves $8.25 to $10.50; fat lambs $9.75 to $12.85.

Eastern potato markets slightly stronger. South Carolina Irish cobblers firm in leading markets at $5.25 to $6.50 per bbl; up 25¢ f.o.b. shipping points at $4.75 to $5. Virginia Cobblers strong in Baltimore and Philadelphia at $5.25 to $5.75. Florida tomatoes in 6-basket carriers firm in leading cities at $4 to $6. Tom Watson watermelons slow and dull in Chicago and eastern markets at $300 to $400 bulk per car. Georgia peaches, various early varieties, slow and dull in city markets at $1.25 to $2 per 6-basket carrier.

Spot cotton down 7 points at 20.44¢ per lb. New York July futures down 19 points at 20.63¢.

July wheat declined first part of week in sympathy with May future. The market then turned firm on revived export and milling demand, but broke sharply on liquidation by longs and stop-loss orders. Chicago July wheat dropped 7 5/8¢; Chicago July corn down 2 3/8¢.

Potato markets weaker for new stock, demand good. South Carolina Irish cobblers down 25 to 50¢ in leading eastern markets. Texas yellow Bermuda onions slightly stronger in leading city markets at $1.50 to $2. Eastern strawberry markets weaker. Watermelon markets show marked declines. Peach markets weaker. Tomato markets steady, demand moderate.

Chicago hog prices declined 25 to 40¢; beef steers strong to 10¢ higher; better grades of butcher cows and heifers averaged about steady. Feeder steers scarce and steady; veal calves up 25 to 50¢. Fat and spring lambs down 75¢ to $1; yearlings and handyweight fat ewes down 50¢ to 75¢; heavy ewes $1 to $1.50 lower. Eastern wholesale fresh meat prices trended upward.

Butter markets unsettled during the week and price declines occurred, but the tone was firm at close with upward price tendency. There was increasing interest in buying for storage; consumptive demand good. Cheese markets barely steady with lighter current demand. Prospective increase in production.

Hay market fairly steady on good grades because of light receipts; poor quality had slow sale; movement and country loadings light. Alfalfa market weak. Wheatfeeds weak and lower. Demand very light. Corn feeds active and in good demand; prices steady.

Spot cotton down 17 points; New York July futures down 37 points. (Prepared by Bureau of Markets and Crop Estimates.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 56. Section 1. June 6, 1922.

Cotton Figures Wanted

Senator Harris introduced a bill June 5 calling on the Director of the Census to gather and publish statistics showing quantities and grades of baled cotton on hand on July 31 of this and every succeeding year. (Cong. Rec., June 5.)

Muscle Shoals Legislation

Two bills authorizing Secretary Weeks to execute contracts with Henry Ford and transfer to him the Government's $106,000,000 power and nitrate projects at Muscle Shoals, Ala., were introduced yesterday in the House by members of the Military Affairs Committee. One, presented by Acting Chairman McKenzie, provided for the acceptance of Mr. Ford's offer for the properties on condition that the Gorgas steam plant be excluded. The other, submitted by Representative Wright, called for unconditional compliance with the terms of the Ford proposal. (Press, June 6.)

Federal Employees' Bonus

Continuation of the bonus to Federal employees for another fiscal year would cost the Government $40,000,000, according to a statement made yesterday by Representative Madden, of the House Committee on Appropriations. Aside from the collection of bonus data, the Appropriations Committee has made no move that would indicate that the bonus is to be continued. Republican leaders have said, however, that unless the reclassification bill standarizing Government employees' pay becomes a law by July 1, Congress will enact legislation continuing the bonus. (Press, June 6.)

Waterway Treaty Delay

Announcement was made June 5 by the Department of State that the Canadian Government has decided to take no action for the present concerning the proposal of the United States that a treaty be negotiated looking to a joint arrangement for deepening the St. Lawrence waterway in order to enable ships to sail from ports on the Great Lakes direct to overseas ports. The door for future exchanges on the subject is left open, however. The reason given by the Dominion Government for deferring action is lack of opportunity to make a complete study of the project. (Press, June 6.)

Section 2

Agricultural Inquiry Commission's Report

One of the principal causes of increased living costs in the United States has been run to earth by the Joint Commission of Agricultural Inquiry and will be fully disclosed in the final section of the commission's report, soon to be rendered to Congress. Briefly, this cause consists of an unwieldy system of marketing and distribution which includes relatively inefficient means and uneconomic methods, coupled with wasteful buying habits and practices on the part of the consuming public. "We have now reached a point," said Chairman Sydney Anderson, in forecasting the commission's report, "where it costs more to distribute and serve than it costs to produce. Commodity values are lost in a mass of service costs and the time has come for a consideration of the fundamental problem of the economic distribution of the essentials of living. The commission is convinced that the problem of distribution is one of the most important economic questions before the American people. Only through its correct solution can there be an equitable adjustment of the relations of agriculture, industry, transportation, labor, finance and commerce as among themselves and as correlated with the interest of the public..... We have found no single factor in this complex price structure," said Chairman Anderson, "which can be held to be solely responsible for the apread between producers and consumers. Neither is the Commission able to point out a remedy, legislative or economic, which of itself will reduce this spread. The commission will be able, however, to make certain suggestions which it believes will indicate the method by which improvements and economies can be made in our distributive system....".

Agriculture and Foreign Trade

"The Bloc and the World" is the title of an editorial in The New York Times for June 5, which says: "Spokesmen of several nations are contributors to a symposium in The Journal of Commerce upon the problems of the times. Senator Capper offers an explanation of the new interest of American farmers in foreign trade. He ridicules the idea that American farmers think all foreigners wicked. Such provincialism has passed. 'Main Street and Gopher Prairie have become linked indissolubly with Wall Street and New York, Downing Street and London.' In present world conditions American farmers are willing to drop all the old isolation business like an outworn coat. And it would seem that the farmer in search of markets is willing to change his coat. 'He is no longer content to permit the Nation's foreign policies to be dictated by the manufacturing interests of the East.' Hence the new policy at Washington of joining the eastern manufacturers in 'doing the country good.'.....In the last ten months our farmers have sold abroad nearly a half billion dollars' worth of products. That they will have difficulty in selling more under the new policy of exclusive tariffs is indicated by the results of the farmers' emergency tariff. It has had the effect of reducing the Nation's trade with Canada from $1,398,000,000 to $810,000,000. A decrease of 42 per cent. in a country which has recently been taking American products at the rate of $100 per capita is a fancy price to pay for the farmers' new world outlook. What share of foreign trade do the farmers want? They have long done the majority share, and they could do more now than ever, for the world is hungrier than ever. Foreigners must buy at our price, if they have the price. But our trade in other products is competitive, and must be done on narrower margins."

Cotton

"Trading on the cotton exchanges during the past week has been largely dominated by the fact that the Department of Agriculture's first report of the season on the condition of the American cotton crop of 1922 was to appear to-day (Friday) and might not impossibly affect prices in a very violent manner. During the last ten days or so a succession of private estimates of the end--May condition and expectancy of yield of the crop have been made public, and the trade has been able to obtain from these estimates a general idea of what the Government report was likely to show. The official forecast, however, has an authority that naturally does not attach to private estimates, and traders in cotton know by experience that prices will respond to the official figures as to no other influence. Hence for some days before the issuance of a Government report the markets are largely engaged in the process known as 'evening up'--that is, the liquidation of all commitments on both sides of the account that have not originated in the necessities of the business of merchants. Such liquidation of commitments of a speculative or semi-speculative character has been continuously going on in the cotton futures market since the beginning of the present week, and the effect has been to produce the appearance of price irregularity of a pronounced kind, though on the whole the tendency of prices was moderately downward." (Economic World, June 3.)

Creameries in Ireland

"The latest statistics published by the I. A. O. S. tell us that there are now 336 cooperative creameries in Ireland, with a share-holding membership of 50,122, a paid-up share capital of 193,208 pounds, a loan capital of 500,719 pounds, and a trade turnover of 8,247,834 pounds, of which 6,456,901 pounds represent butter sales; 706,563 pounds cheese, cream and milk sales, and 1,084,370 pounds sales of agricultural and other goods." (The Irish Economist for May.)

Freight Rates

The Price Current-Grain Reporter for May 31 says in an editorial on the rate reduction decision: "The decision will hardly please the railroad baiter; certainly the farmers of the farmer will not be satisfied. For a generation, during which until 1914 railroad rates were steadily falling and the service improving under the stimulus of competition, the farmer--the chief beneficiary of declining rates on what he sold and what he bought--was the chief supporter and exponent of railway 'reform'--control in every conceivable way; and it is not too much to say that the plight of the roads to-day and the present stiff rates are due as much to the farmers' agitation and mal-contents as to any one cause beyond the pandering of a Congress which enacted the Adamson act while Mr. Gompers cracked the whip from the public gallery. In 1878 the rate on wheat, Chicago to New York, lake and rail, was 11.4c. Before rate making by the commission began it had fallen to about 5c (4.96 in 1898) and has never been as low since. What has been accomplished for the farmer by all this dumping of the railroads into the arms of a commission whose only visible influence on rates has been to increase them and to put the roads into a position which has made railway financing more and more difficult and made railway expansion into new territory needing their services practically impossible? In 1907 it cost about 11½c to carry a bushel of wheat from Chicago to Liverpool against 15 1/3c in 1912 and 14.03 in 1913. Much good have rate making and rate control by the Government done the farmer."

Grain Marketing "The opera bouffe performances of the U.S.G.G.,Inc., continue in the Northwest and the simple-minded country press periodically records the statements of local promoters that signers by the thousands of bushels or acres are being secured. As there is no human possibility, in view of present appearances, that the U.S.G.G., Inc., will ever handle a bushel of grain on its own, the question naturally arises, Who will eventually get the benefit of those contracts? They constitute the only tangible assets of an organization which is deeply in the hole and not likely to get out; and as the contracts have a potential transfer or reversionary value, the signers may wake up some fine morning after harvest to find themselves tied up to some grain buyer a thousand miles away with a five-year U.S.G.G.,Inc., contract requiring them to turn their grain over to him on payment of so much money on delivery and to wait for the rest until the other end of the contract gets darned good and ready to pay it. There is no fixed date in the contract for final payment." (Price Current-Grain Reporter,May 31.)

Freight Rates The Nebraska Farmer for June 3 says in an editorial on the recently ordered cut in freight rates: "According to the information available at this writing, grain, live stock and other agricultural products in the mid-western section are excluded from the 10 per cent reduction, inasmuch as freight on these products was lowered months ago. Therefore, the present rate cuts will not be of any benefit to the farmers so far as adding to the price of commodities which they have to sell. This is unfortunate in our estimation for we believe, as do some members of the commission, as expressed in their comments upon this decision, that larger reductions should be made upon raw products, such as grain, live stock, coal, building materials and the like, than upon finished products, the freight on which is but a small per cent of the final selling price to the consumer. By making a greater cut upon raw products it would lower prices, allow factories to increase their output, employ more men and thus add generally to the consuming and buying power. A horizontal cut upon all commodities still leaves inequalities in price levels. We believe the railroads will find that this 10 per cent average reduction will not mean a loss of that much revenue, but that the stimulation given to business by it will increase the volume of their freight tonnage and more than offset this loss per ton unit, to say nothing of the benefit it will mean to other industries."

Grain Trading Wallaces' Farmer for June 2 says in an editorial on "Grain Exchange Legislation": "Members of the Chicago Board of Trade have spent most of their time lately in enthusiastic handshaking and mutual congratulation. Their opinion of the Supreme Court fell to zero after the decision on the stock yards and packer regulation act, but now that section 4 of the law on grain exchange regulation has been declared unconstitutional, the confidence of the Board of Trade in the judiciary has largely been restored.....The members of the grain exchanges ought to see by this time that the question is no longer whether or not exchanges are to be regulated by some governmental agency. That question is settled. Now the only argument is whether the state or the Federal Government is to do the regulating, and to what extent the supervision is to be carried. (Cont'd.on page4)

It seems likely that by the time the grain exchanges go through another fight in Congress and in state legislatures, they will be inclined to wish they had let well enough alone. They will discover a great many virtues in the Capper-Tincher act when they begin to look over the bills designed to replace it. In that day the heroes who have succeeded in convincing the Supreme Court that it should nullify the Capper-Tincher bill will be in great danger of losing their laurel wreaths and of submitting to the placing of garlands of poison ivy on their devoted but decidedly witless heads."

Wheat Grading

The Price Current-Grain Reporter for May 31 says in an editorial: "The Steenerson bill was before the House last week. It is an attempt to fix spring wheat grades by law, on the basis of the revision of the grades proposed by the Minnesota R.R. and Warehouse Commission. The object is to lower the standards in the belief that the miller and exporter would pay just as much money for a low grade of wheat described by law as 'No. 1,' or 'No. 2,' as he would for a better quality bearing the same numbers. Needless to say, the process is too simple to deceive. The Department of Agriculture is against the bill and as a result of the Fitz-Coulter episode in the Northwest, which defeated Dr. Coulter's own purpose to the same tenor as the Steenerson bill runs to, the department is confident the bill in evidence never can become law. Nevertheless the grain trade ought to express their objections to the theory of the bill."

Section 3

Department of Agriculture

"One result of Mr. Chief Justice Taft's decision on the Capper-Tincher act is that the farmer is being fed up with the statement that the decision 'bars the cooperatives from the exchanges.' This, as we understand the situation, is not true. The cooperatives have the same privileges on the grain exchanges now, which they have always had. They may go into the exchanges by buying seats therein and by agreeing to live up to the exchange rules for doing business, among which is one not to rebate commissions nor to play favorites--by agreeing, in short, to do business as all other members are obligated to do business and be subject to the same penalties. They have hitherto refused to do that; and Capper and Tincher and the Congress tried by this act to make them a class apart with peculiar rights and privileges as members of the exchanges just as the same people are tying to give them special rights, privileges and immunities in other things; and in that latter respect also they are likely to meet with the same obstacles. The real nib of the court decision as to this was that the radicals in Congress can not by using a legislative force bill compel the exchanges to admit as members those who openly avow their intention as such to defy and ignore all the rules which long experience has found to be necessary to have the exchange business conducted fairly, decently and honestly. But the cooperative commission houses have not been very successful. In the live-stock business they have been a distinct failure for the most part, and under the new packer act are at a disadvantage for the same reason that 'bars them' from the grain exchanges--their own belief in the necessity of doing business by other than the regular methods. But even handling live stock on commission is quite a simple business compared with handling grain successfully in a grain exchange market.(Price Current-Grain Rep. May 31.)

Section 4

MEETINGS, HEARINGS AND VISITORS

C. A. Keffer, director of Tennessee Agriculture Extension Service, will be at the Office of Extension Work, States Relations Service, from June 8 to June 10.

Section 5

MARKET QUOTATIONS

Farm Products

June 5: Weak undertone to wheat market and prices reached new low point. Sentiment is extremely bearish. Chicago July wheat lower at $1.13½; Chicago July corn lower at 60¼¢. Visible supply wheat 26,341,000 bushels, an increase of 509,000 bushels for week. Visible supply corn 47,950,000 bushels, a decrease of 1,447,000 bushels for week. Closing prices in Chicago cash market: No.2 red winter wheat $1.17; No.2 hard winter wheat $1.15; No. 2 mixed corn 59¢; No. 2 yellow corn 59¢; No. 3 white oats 35¢. Average Farm prices: No. 2 mixed corn in Central Iowa 45½¢; No.1 dark northern wheat in Central North Dakota $1.25½; No. 2 hard winter wheat in Central Kansas $1.12.

Chicago hog prices declined 15 to 30¢; bulk of sales $10.05 to $10.75. Medium and good beef steers advanced 25 to 35¢ at $8.10 to $9.15. Butcher cows and heifers up 10 to 15¢ at $4.35 to $8.75. Feeder steers up 15¢ at $6.15 to $8.00. Veal calves up 50¢ at $8.50 to $10.75. Fat lambs down 25 to 75¢ at $9.75 to $12.90; spring lambs down 75¢ to $1.10 at $13.00 to $14.25.

Potato markets strong; demand good. Carolina Cobblers $5.50 to $6.50 per bbl. leading cities. Northern Round Whites $1.65 to $1.80 per 100 lbs. Watermelons weaker in city markets at $350 to $450 bulk per car; Boston 35 to 60¢ unit basis. Eastern strawberries 12 to 15¢ qt. eastern markets. Texas yellow Bermuda onions steady in most markets $1.50 to $1.75 per standard crate. Florida tomatoes sixes $4 to $4.50 in city markets, reaching $6 to $6.25 in Chicago.

Receipts of hay generally light but in excess of demand in Boston, Philadelphia and Cincinnati. Good hay in fair demand in most all other markets. Poor hay not wanted and sells at heavy discount. Wheat feeds weak and lower with some pressure to sell spot and transit feed.

Butter markets firm. Demand for June butter for storage has strengthened market. Cheese markets barely steady. Trading quiet during week.

Prices for spot cotton declined 26 points, closing at 20.18¢ per lb. New York July futures down 38 points at 20.25¢. (Prepared by Bureau of Markets and Crop Estimates.)

Industrials and Railroads

Average closing prices	June 5	June 3	June 5, 1921.
20 Industrials	95.98	96.31	71.18
20 R. R. stocks	84.94	85.01	71.31

(Wall St. Jour., June 6.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 57. Section 1. June 7, 1922.

Roads Legislation

The House June 6 adopted the Post Office Appropriation bill with the Senate amendment appropriating $50,000,000 for road work during the next fiscal year. (Cong. Rec., June 6.)

Rail Board Cuts Pay of Men

Disregarding the protest of its three labor representatives, the Railroad Labor Board June 6 ordered a new wage cut of 7 cents an hour for railway shop mechanics and 9 cents for freight car "knockers," thus practically cutting $60,000,000 a year from the pay of 400,000 shop crafts workers. The decision, effective July 1, brings the total payroll saving for the railroads to approximately $110,000,000, since it supplements the recent ruling which reduced the pay of maintenance of way workers about $50,000,000.

Following the announcement came the decision of the heads of eleven railroad employees' unions, conferring in Cincinnati, to order strike votes, returnable thirty days from the announcement of wage cuts, as far as these were ordered by the Labor Board. Pending pay cuts will affect 1,200,000 men who would vote for or against a walk-out. Their leaders predicted they would vote for a strike. (Chic. dispatch to N.Y. Times, June 7.)

Civil Service Inquiry

The Civil Service Commission is extending the use of its confidential inquiry blanks, aiming to learn the character of applicants as well as their scholarship. For the present their use is confined to the fourth civil service district, including the District of Columbia, Maryland, Virginia, West Virginia and North Dakota, and the tenth district, including Louisiana and Texas. Appearance and manners, ability to learn, industry, initiative and cooperativeness are inquired about in the blanks, which are being used to "get a line" on clerks and carriers in the postal service, but which later will be used for all positions in the civil service. (Wash. Star, June 6, verified by Civ. Ser. Comm'n.)

Rate Cut to Help Business

T. B. McAdams, president of the American Bankers' Association, declared, before the Iowa State bankers' convention, June 6, that a stimulus of increased activity will result from improvement in transportation conditions. (Press, Jun. 7)

Section 2

Agricultural Financing

The War Finance Corporation announces that from June 1 to June 3,1922, inclusive, it approved 19 advances, aggregating $754,000, for agricultural and live-stock purposes in 10 States. During the week ending June 3,1922, the corporation approved a total of 42 advances, aggregating $1,247,000.(W.F.C. press statemen June 5.)

Agriculture and Ship Subsidy

Michigan Farmer for June 3 says in an editorial on "Our Distant Markets": "In the recent consideration of the ship subsidy bill, prominent farmer representatives have spoken before Congress in favor of it. It may seem a little far-fetched for farmers to be interested in this bill, but from a broader viewpoint and under present conditions there are good reasons that they should be. The war has changed things considerably. Before the war we were a debtor nation and our creditors took our products in payment for our debts, and used their own boats to carry them in. That, to a great extent, made our markets. But now that we are a creditor nation we have to seek our markets, and if we want the service we need in transportation, we shall have to use our own boats to ship in. We are and will be for some time to come, an agricultural surplus producing nation and for this reason we should do everything we can to encourage methods which will make our trading with other nations easier. In this respect an American merchant marine is a marketing necessity and a thing that the farmers should be vitally interested in."

Dairying in the Northwest

"Lately the Northwest has taken a renewed interest in dairying, particularly during the past two or three years it has been demonstrated that dairy cows have been most profitable to the farmers. The test has been thorough and all the experimental stage have been passed. In Minnesota, which has boasted that it produces 60 per cent of the iron ore of the United States, in 1920 the State's dairying products were worth twice as much as its iron ore products. During the past five years the average value of its grain crops has been less than the value of its dairy products. These are reasons why substantial business men of the Northwest are giving their attention to the further promotion of dairying. Bankers have discovered that even the smaller farmers who have a few milch cows have found it easy to meet their obligations while those who are so-called 'grain farmers' have asked for extension of time in making payments. As has often been stated in these pages, the bankers are quick to encourage the farmer in adopting methods that will bring him greater profits for his labor, and thus they are now encouraging more extensive and better dairying. Through cooperative efforts they are enabling farmers to replace scrub stock with thoroughbreds. They are encouraging the building of silos and hog raising in connection with dairying, and though these efforts have been notable only in the past few years, the results far exceed the greatest expectations. The press of the Northwest has been quick to realize how important dairying is becoming in different communities. Leading papers of the larger cities are making special efforts to interest business men in giving their assistance to the work of making the Northwest the greatest dairying district in the Union." (Commercial West, June 3.)

Farm Equipment

The Trade Record of the National City Bank of New York says: "The extent to which the farmers of the United States are now utilizing the latest aids which inventive genius has offered to the producing and business world is illustrated by some facts presented in the 1920 census. For the first time, the 1920 census now presents figures on the number of automobiles, motor trucks, telephones and farm tractors in use on the farms of the country, the number of farm homes lighted with gas or electricity, and the number having 'water piped into the house.' These figures indicate that the automobile and telephone are now a big factor in farm life, not merely as a comfort or convenience but as an actual aid in business. The number of telephones, by which the farmer may communicate with his local trade center or with the great cities in which the prices and markets for his products are determined, is officially stated at 2,498,493 in 1920, while another authority puts the total number of phones in all the United States 'without regard to ownership' at the end of 1920 at 13,411,379, which suggests that nearly one-fifth of the phones in the United States are now in the farm home and farm business service; while 38% of the reporting farms were equipped with telephone service in 1920. The automobile statistics are also extremely suggestive. They show the number of automobiles on farms in 1920 at 2,146,362, while figures compiled by Automotive Industries put the total of automobiles in use in all the United States in 1920 at 7,904,000, suggesting that the farmers owned in that year considerably more than one-fourth of the automobiles of the country, to say nothing of the 139,000 motor trucks and 246,000 farm tractors reported in operation on the farms in 1920. Over 30% of the reporting farms in 1920 utilized automobiles. Still another evidence of the disposition of the farmer to utilize machinery in increasing his business activities is found in the fact that the value of his 'farm implements and machinery' reported in 1920 was nearly three times as much as in 1910, five times as much as in 1900 and seven times as much as in 1890. The official valuation of farm implements and machinery in 1920 is $3,195,000,000 against $1,265,000,000 in 1910, $750,000,000 in 1900 and $494,000,000 in 1890." (From report, June 5.)

Freight Rate Reductions

Referring to the recent rate cut, The Breeder's Gazette for June 1 says in an editorial: "It grants no concessions upon farm products beyond those made some time ago, which did not reach deep enough. However, it will help some. Just how much of the reduction, which amounts to about 10 per cent, will be passed on to farmers remains to be seen. The trouble with all Government action in these matters is the lack of promptness in meeting emergencies. Sweeping reductions of rates on all sorts of soil products should have been made last summer.....And so, by slow and painful steps, the country is to grow out of its great depression. Time and the ceaseless operation of natural laws will gradually heal the financial wounds, in spite of all retarding influences. The Niagara of production and consumption will continue to flow, no matter what puny efforts anyone may make to divert or dam its mighty sweep."

Freight Rate Reduction

Referring to the cut in freight rates, Implement and Tractor Trade Journal for June 3 says: "Duty and good manners notwithstanding, it is going to be pretty hard to work up much gratitude for such a small favor. For a number of months the farmers and implement men especially have been looking and petitioning for a substantial reduction in the freight tariff. Something like thirty or thirty-five per cent would have suited their ideas of what the situation needed. And now comes the I.C.C. with a 10-per cent decrease effective July 1.....Where reduction is most needed is in the bulkie freights such as originate on the farms and at the mines. There should be a drastic decrease on grains, live stock, coal, coke, steel and similar commodities. And commerce can not thrive until such a decrease becomes operative. So far as its recent action is concerned, the Commission has lost two opportunities: One to give the country an immediate and material benefit of substantially lower freights and the other, responding to the same impulse, to affect the popular 'psychology' favorably, to bring about the long-needed sigh of relief. As it is, the country will merely wait for a 'real reduction.' The best thing that can be said for the 10-per cent decrease is that it is in the right direction."

Grain Marketing in N. D.

"The North Dakota unit of the United States Grain Growers, Inc., will not sign up with any sales agency for the handling of this year's grain pool in order to give the parent body an opportunity to put its plan into operation, the directors of the State body have announced. The national office has advised the State directors that it will soon have a sales agency in operation. The State body had planned to secure contracts with some available agency if the parent body were unable to handle this year's crop." (Fargo dispatch to Commercial West for June 3.)

Meat Campaign

In an editorial entitled "National Meat Board Financed," The National Provisioner for June 3 says: "The National Live-stock and Meat Board is now getting a good start in its work of carrying out the meat campaign planned at the inception of the board last winter. Much of the preliminary work of organizing has been thought out, and the plan for providing in the easiest way possible the initial funds for the board's program has reached a point where all the national organizations, whose support was necessary for putting the plan into effect, have heartily indorsed the methods of raising the funds..... This is only a beginning, for the sum raised by the collection of five cents on each car of live stock from the shipper and a like amount from the buyer is naturally inadequate for a thorough national advertising publicity and educational campaign. But by using the voluntary efforts of all existing organizations, such as the live-stock producers' organizations, the meat councils, meat retailers' associations, the Institute of American Meat Packers, local live-stock exchanges, farm bureau federations and all Government agencies related to the field, a program of really vast proportions can be carried out."

War Finance Corporation Report

Eugene Meyer, jr., Managing Director of the War Finance Corporation, June 5 made the following statement: "The War Finance Corporation has received a payment of $3,812,935 on account of the advance made by it in 1920 to the Foreign Credit Corporation and a syndicate of banking institutions for the purpose of financing the exportation of grain to Belgium. Of the original loan of $11,229,000, only $170,405 remains outstanding, and the corporation is advised that this sum will be repaid in the course of the next few days. Repayments to the corporation during the month of May totaled $26,507,833. Of this sum, $6,315 represents repayments on account of loans made under the war powers of the corporation, while the repayments of export advances amounted to $13,792,762, of which $8,661,397 was repaid by exporters, $410,745 by cooperative marketing associations, and $4,720,620 by banking institutions. Repayments of agricultural and live-stock loans during May aggregated $12,708,756. Of this amount, $9,153,437 was repaid by banking and financing institutions, $1,471,097 by live-stock loan companies, and $2,084,222 by cooperative marketing associations. From January 1 to May 31, inclusive, the corporation received repayments totaling $78,095,288, as follows:--On loans made under the war powers of the corporation, $7,153,054; on export advances, $33,204,691; and on loans for agricultural and live-stock purposes, $37,737,543. Of the total amount, $44,835,407 was repaid by banking and financing institutions, $3,831,902 by live-stock loan companies, $10,895,741 by cooperative marketing associations; and $11,379,184 by exporters, while, as stated, $7,153,054 was repaid on loans made under the war powers of the corporation." Mr. Meyer stated also that the loans totaling $7,392,725, made by the corporation to the large cotton cooperative marketing organizations in Mississippi, Oklahoma, and Texas, have been repaid in full. (From the report.)

Section 3

Department of Agriculture 1

In an editorial on the cotton estimates of the Department of Agriculture, The Journal of Commerce for June 5 says: "Now at the beginning of this season let the department lay aside all bias and especially refrain from yielding to the representations and even threats, or what amount to that, coming from cotton interests, whether in or out of Congress. Let each estimate be as conservative and careful as the most thorough investigation can make it. The experience of the department at the time of the notorious cotton scandals some years ago showed how deviations from the facts tend to become cumulative. It is impossible to offset or account for them from month to month. One gives rise to another, and the final error is astonishing. Each month's estimates ought to be absolutely framed without reference to any private interest, whether of producer, trader, broker or any other."

2

"Why not a More-Meat Bulletin?" is the title of a communication from Thomas Hester, Hidalgo Co., New Mexico, to The Breeder's Gazette for June 1. The correspondent says in part: "We submitted loyally to the 'eat-less-meat' talk in war time, because there was a reason: to save the best food for our fighters. Now, why not advise

the best food for our children and everybody else? Why not say that the roast beef of old England (or Illinois or Arizona) makes stout brawn and good red blood?"

Section 4

MARKET QUOTATIONS

Farm Products

June 6: Short covering in wheat market caused advance in prices, but buying did not last. Chicago July wheat closed lower at $1.12; Chicago July corn lower at 60¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.16; No. 2 hard winter wheat $1.14; No. 2 mixed corn 50¢; No. 2 yellow corn 59¢; No. 2 white oats 36½¢. Average farm prices: No. 2 mixed corn in Central Iowa 46¢; No. 1 dark northern wheat in Central North Dakota, $1.24¼; No. 2 hard winter wheat in Central Kansas $1.06.

Chicago hog prices up 10 to 25¢, closing firm on good lights; bulk of sales $10.20 to $10.90; medium and good beef steers $8.10 to $9.70; butcher cows and heifers steady to strong at $4.40 to $8.75; veal calves strong to 25 to 50¢ higher at $8.75 to $11.00; fat lambs $9.75 to $13.00. Sheep strong to 25¢ higher.

Potato markets strong for new stock. Carolina Cobblers $5.50 to $6.50 per bbl. in eastern markets; $6.50 to $7.00 in Pittsburgh and Chicago. Florida Tom Watson watermelons medium sizes $350-$525 bulk per car in Chicago; 35-50¢ unit basis in Boston and Baltimore. Florida tomatoes, sizes $3.00 to $4.00 in eastern markets. Georgia cantaloupes, flats $1.00 to $1.50 in eastern cities. Georgia peaches, Uneedas, sizes, $1.50 to $2.50; some poor stock.

Spot cotton prices up 8 points closing at 20.26¢ per lb. New York July futures up 13 points at 20.38¢. (Prepared by Bu. Mkts. & Crop Est.)

Industrials and Railroads

Average closing price	June 6	June 5	June 6, 1921.
20 Industrials	96.09	95.98	71.56
20 R. R. stocks	84.78	84.94	70.13

(Wall St. Jour., June 7.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 58. Section 1 June 8, 1922.

Labor Leaders Blamed for Strike Talk

Declaring that there is no talk of a strike among railway workers, the presidents of six western roads June 7 issued a joint statement at Chicago charging that all threats of a walkout were being inspired by union leaders. (Press, June 8.)

Retirement Legislation

The Senate June 7 passed the House bill placing charwomen, laborers and other employees whose compensation is less than $600 a year under the classified service and extending to such employees the benefits of the retirement act. (Press, June 8.)

Bank Legislation

The House June 7 passed a bill placing State banks and trust companies which are members of the Federal Reserve system on an equal footing with national banks in securing discount loans from Federal Reserve banks. (Cong. Rec., June 7.)

Congress Urged to Act on Potash

Charging that the Deutsches Kali Syndikat, controlled by the German Government, and the Societe des Potasses d'Alsace, operating under the regulation of the French Government, constitute an international combination in restraint of trade that has monopolized the world's potash supply, and asserting that the tremendous power of this alleged monopoly may retard development of American potash resources, fifty-eight ranch owners, business men and oil companies in the potash region of Texas yesterday petitioned Congress for relief. (N.Y. Times, June 8.)

International Aid to Germany

The allied reparations commission, by a three to one vote, overriding France's negative ballot, gave the bankers' committee at Paris June 7 full authority to propose an international loan for Germany on any basis the committee thinks desirable. The bankers, however, indicated their disposition not to take action that would be in opposition to the wishes of the French Government. (Assoc. Press, June 8.)

Section 2

Agricultural Commission's Report

Cooperative associations will be urged in the forthcoming report of the Joint Commission of Agricultural Inquiry as an important means of relief for agricultural producers. By this means they can, the commission believes, "hasten the standardization of agricultural products, improve distributive processes, and reduce their costs." Chairman Anderson, in outlining to-day the portion of the report dealing with this feature of the inquiry, said: "We have found that one of the troubles of agriculture is that its products generally come into the local market in small lots of ungraded, unstandardized raw materials, for which the producer has assumed no responsibility. The farmer has thought in terms of individual production rather than in terms of service, marketing and distribution. Until he considers production in its relation to consumer demand and satisfaction, he is unlikely to materially improve his condition. For the most part, the agricultural producers have left to others the selection, grading, standardizing and assembling of products, as well as the risks involved in marketing. The vast bulk of agricultural products must be transported to large centers for assembling, grading and distributing.....It is frequently suggested," said Chairman Anderson, "that agricultural products be sold by sample or grade description from markets established close to the centers of production, and that in such markets there be established adequate and efficient warehouses, cold-storage plants, and other facilities for the protection and preservation of raw commodities. In theory at least this suggestion has attractive possibilities in that it would save unnecessary waste and much handling and rehandling and avoid 'back-tracking' products from large markets in the redistribution of commodities to smaller communities. This suggestion, however, is predicated upon the theory that standard grades and descriptions can be universally established, and that consumers and dealers would willingly anticipate their requirements to sufficiently provide for a steady flow of products from point of production to place of consumption. It further assumes an intensive distribution within the radius of territory that could absorb the quantities of agricultural products produced within any given center. Under existing conditions consumers find it more convenient to leave the responsibilities of selection and service to the established distributors.....With the better organization and standardization of farm production, the organization of farmers' cooperative associations, the evolution of grades more accurately reflecting the qualities of farm products in relation to use, the establishment of concentration warehouses at points within the areas of production issuing receipts or certificates which clearly indicate such grades and guarantee the physical protection and quality of product, it should be possible to develop a system of commodity exchanges through which these commodities may be sold and under which such products will move directly from areas of production to points of use under prior sale without the necessity of previous inspection and with the assurance of delivery of a product by grade conforming to the users' or consumers' requirements.....The report will suggest that through cooperative associations new economies can be effected through greater uniformity of production in centralized areas of production, uniform grades and standardized containers....." (From the report.)

Agricultural Financing

President McAdams, of the American Bankers Association, speaking before the South Dakota State Bankers Association to-day, stated that paternalistic Government action is not the solution for difficult agricultural conditions, but rather individual and initiative and improved cooperative marketing methods. He pointed out, however, the danger of large scale cooperative movements becoming oblivious to the rights of others, creating results worse than the evils intended to be corrected. He said: "The financial situation, as it affected agriculture last fall, was a very serious one, but easing of money rates and credit have served materially to relieve this situation. The actual need for additional credit machinery is no longer so urgent. A great burden has been lifted from the country banks by the farmers being able to finance their mortgage loans through the War Finance Corporation. It should be possible for the country banks to supply this year all reasonable requirements from their farmer customers. But if our present machinery be not adaptable to this particular demand, then the bankers of the country should busy themselves to create such machinery as will properly take care of the situation. I do not believe the proper solution would come through paternalism or that Government aid is needed. We have become too accustomed to lay our burdens on the Government and ask it to work out a plan by which the troubles of some particular group can be satisfactorily solved." (Press statement, June 8.)

Cotton Marketing

Important economies in the handling at New Orleans of cotton will be effected through a new system, effective August 1, worked out by the Cotton Exchange at New Orleans. The cotton will be weighed, sampled and inspected as soon as it reaches the city, whether intended for public cotton warehouse or a private warehouse. At present cotton is taken from the shed into the ranging field, sampled and weighed every time it is sold. (Press, June 6.)

Farm Products Pool in Alberta

The formation of a general farm products pool is now under way by the local association of the United Farmers of Alberta for the handling of the 1922 crop. Under the proposed plan each member must bind himself to sell his produce to the pool for a period of five years. Shares in the pool will sell for $5 and 1 per cent of the gross sales will be set aside for extension purposes. (Jour. of Commerce, June 6, Pincher Creek correspondence.)

Food Costs

The Department of Labor, through the Bureau of Labor Statistics, has completed the compilations showing changes in the retail cost of food in 25 representative cities of the United States. During the month from April 15, 1922, to May 15, 1922, 15 of the 25 cities increased as follows: Richmond, 2 per cent; Atlanta, Baltimore, Birmingham, Butte, Cincinnati, Milwaukee, Norfolk, Philadelphia, Savannah, Seattle, St. Louis, and Washington, D.C., 1 per cent. The following cities increased less than five-tenths of 1 per cent; Chicago and Omaha. The other ten cities decreased as follows: Newark, 2 per cent; Boston, Fall River, Kansas City, Manchester, New Haven, Providence, Rochester, 1 per cent. In Detroit and New York there was a decrease of less than five-tenths of 1 per cent. For the year period, May 15, 1921, to May 15, 1922, there were the following decreases: Norfolk, 8 per cent; Kansas City,

Manchester, and Providence, 7 per cent; Boston, 6 per cent; New Haven, Savannah, and St. Louis, 5 per cent; Birmingham, Cincinnati, Fall River, and Newark, 4 per cent; Baltimore, New York, and Omaha, 3 per cent; Atlanta, Chicago, Detroit, Philadelphia, Rochester, and Washington, D.C., 2 per cent; and Richmond, 1 per cent. In Butte and Milwaukee there was a decrease of less than five-tenths of 1 per cent. Seattle, however, increased 2 per cent. As compared with the average cost in the year 1913, the retail cost of food on May 15, 1922, was 53 per cent higher in Richmond; 49 per cent in Washington, D.C., 44 per cent in Baltimore and Birmingham; 43 per cent in Chicago, 42 per cent in Detroit, New York and Philadelphia; 41 per cent in Atlanta, Cincinnati, Milwaukee, and Providence; 39 per cent in Boston, Fall River, and Omaha; 38 per cent in Manchester and St. Louis, 36 per cent in Kansas City; 35 per cent in New Haven; 34 per cent in Seattle, and 33 per cent in Newark. Prices were not obtained from Butte, Norfolk, Rochester, and Savannah, in 1913, hence no comparison of the 9-year period can be given for these cities. (From report, June 8.)

Freight Rate Cut

The Montana Farmer for June 1 says: "Material relief will be afforded Montana by the 12½ per cent horizontal reduction in all freight rates, ordered for interstate freight traffic in the mountain-Pacific district by the Interstate Commerce Commission and extended by the thirteen railroads operating in Montana to affect intrastate traffic. It has been estimated by the Montana railroad commission that the cut will amount to a saving of $1,500,000 annually to the shippers of the State. While some agricultural products are excepted from the reduction because rates on hay and grains had already been decreased from 12½ to 17½ per cent and those on live stock approximately 20 per cent, the cut will nevertheless be of considerable benefit to the producers. All agricultural products now come under the lower rate and the saving in freight charges on agricultural implements and other things the farmers buy will be appreciable. The country-wide reduction in freight rates should also prove a distinct stimulus to business and industrial conditions generally and that is something in which the farmers of the country as well as everyone else are vitally interested just now. The cut in rates amounts to fifty per cent of the horizontal advance of twenty-five per cent made in August, 1920, and while it is not all the shippers have reason to expect in the way of relief this year it does represent a decided step toward reasonable rates."

Milk Marketing Campaign

Aaron Sapiro began the reorganization campaign of the Chicago Milk Producers' Cooperative Marketing Company with speeches at Chicago and Beloit, Wis., June 6; Crown Point and Valparaiso, Ind., June 7; Elgin and Woodstock, Ill., June 8. (A.F.B.F., Weekly News Letter, No. 22.)

Wool Prices

A general advance from 2½ to 8 cents a yard in the price of fabrics was announced June 5 by the American Woolen Company. This is the second increase in woolens since February. Staples will advance from 5 to 55 cents a yard it was stated. (Press, June 6.)

Section 3

Department of Agriculture

The America Farm Bureau Weekly News Letter for June 1 says: "It is reported that in the contemplated reorganization of governmental departments, it is planned to emasculate the Department of Agriculture by removing the Bureau of Markets, the Forest Service, and the Bureau of Public Roads to other departments under the jurisdiction of other Cabinet officers than the Secretary of Agriculture. The American Farm Bureau Federation, the largest farm organization in the world, will vigorously oppose any such move. The farmers of America regard the Department of Agriculture as their own and will look with disfavor upon any attempt to disintegrate it."

Section 4
MARKET QUOTATIONS

Farm Products

June 7: Chicago wheat market firm on buying credited to short covering; higher foreign markets, smaller receipts and rust reports from Kansas. Chicago July wheat higher at $1.14; Chicago July corn higher at 60¾¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.16; No. 2 mixed corn 60¢; No. yellow corn 60¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in central Iowa about 47¢; No. 1 dark northern wheat in Central North Dakota $1.23¾; No. 2 hard winter wheat in Central Kansas $1.15.

Chicago hog prices closed steady to 10¢ higher than Tuesday's average, bulk of sales $10.10 to $10.95; medium and good beef steers steady at $8.10 to $9.15; butcher cows and heifers steady at $4.35 to $8.75; light and medium weight veal calves strong to 25¢ higher at $9.00 to $11.25; fat lambs $9.75 to $13.00.

Potato markets strong. Carolina, Virginia and Georgia Cobblers $6. to $7 per bbl. in leading cities; higher in Chicago at $7. to $7.25. Alabama Bliss Triumphs $3.75 to $4.25 in Chicago and Cincinnati. Georgia peaches, some ordinary stock, Uneedas, sixes down 50¢ to $1.00 in leading cities at $1.00 to $2.00. Florida tomatoes weak at $3.00 to $3.50 per 6-basket carrier. Florida Tom Watson watermelons lower at $200-$465 bulk per car.

Hay market weak at Philadelphia and Pittsburgh account of increased receipts. Receipts and demand in other markets light. Wheat feed market slightly stronger because of less pressure to sell. Demand very light. No change in market for other feeds.

Butter markets firm, but advances checked trading and tone is weak at close. Cheese markets steady to firm. Some buying for storage.

Spot cotton up 65 points closing at 20.91¢ per lb. New York July futures up 82 points at 21.20¢. (Prepared by Bu. Mark'ts. & Crop Est.)

Industrials and Railroads

Average closing price	June 7	June 6	June 7, 1921.
20 Industrials	95.15	95.59	71.03
20 R. R. Stocks	84.48	84.78	70.57

(Wall St. Jour., June 8.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. V, no. 59 Section 1 June 9, 1922.

New Future Trading Bill Opposed

Opposition to the passage of the Capper-Tincher bill, which would re-enforce the Future Trading Act to meet the recent decision of the Supreme Court, was expressed June 8 before the House Agriculture Committee by Louis F. Gates, formerly president of the Chicago Board of Trade. He declared that the bill contained a "joker" in the proposition to substitute Federal grain weighing and inspection for State supervision. Such a provision, Mr. Gates declared, would constitute an invasion of State rights and give the Secretary of Agriculture jurisdiction to say when Federal weighing and inspection should be accepted. (Press, June 9)

Standardization Legislation

The House June 8 passed a bill to standardize sizes of baskets and hampers used in commerce and trade. (Cong. Rec., June 8)

Soldier Bonus Legislation

The soldier bonus bill was formally presented to the Senate last night by Chairman McCumber of the Finance Committee. (Press, June 9.)

Muscle Shoals

Final drafts of three reports reciting the conclusions of the House Military Affairs Committeemen on the private proposals for development of Muscle Shoals were prepared June 8, for formal submission to-day to the House. Two of the reports prepared by Acting Chairman McKenzie and Representative Wright are said to favor the proposal of Henry Ford in part or in whole, while the third, prepared by Representative Parker, opposes acceptance by Congress of the Ford offer as it was voted upon by the committee. (Press, June 9.)

Rail Workers Will Appeal to the President

President Harding will be appealed to by the leaders of 1,200,000 railway workers, part of whom have already received wage cuts from the Railroad Labor Board due July 1, in an effort to stave off further reductions in their pay envelopes, it was decided at a conference of rail union heads at Cincinnati, June 8. (Assoc. Press, June 9.)

Section 2

Cotton Statistics

An editorial in The Progressive Farmer for June 3 says: "There are more loose and inaccurate statements regarding the carry-over of cotton appearing in print than any other commodity has ever had inflicted upon it. The careless and loose statements do not stop in merely the reckless use of figures, but there is also a conflicting, confusing, and promiscuous mixing of the terms: The world's carry-over of cotton; the world's carry-over of American cotton; the American carry-over of cotton; the American carry-over of American cotton; and the carry-over of spinnable American cotton. During the past year the writer has seen each one of these terms used in a case where another was intended; or the figures representing one given when another was named. It is not at all unusual to see the figures representing an estimate of the world's carry-over of cotton given for the world's carry-over of American cotton. It is also common, almost universal, to include in the carry-over of American cotton hundreds of thousands of bales of linters, many of which were bought by the Government during the war and have been allowed to rot in huge piles all over the country. And as to making deductions for the accumulations of unspinnable cotton or 'trash' during recent years, that is never to be thought of by the bears and 'assistant bears' or so-called 'experts' who make figures, not estimates, for the commercial organizations and public press. What the cotton grower is interested in is the number of bales of spinnable cotton in the world on July 31 and the number of bales of spinnable American cotton in the world and also in America on July 31 of each year. Of course, we can never have an agreement as to the amount of cotton on hand. The bears will count in all cotton and linters, and trash reported for the last decade, less only that used, even though thousands of bales may have rotted as has been the case in recent years. And the bulls will deduct linters, trash, and then some more in making up their estimates. But it does look as if we might have uniformity in terms, or method of stating the estimates."

Distribution Costs

In an editorial on the recently issued report of the Congressional Joint Commission of Agricultural Inquiry, on retail selling and distribution costs, The Journal of Commerce for June 7 says: "If Mr. Anderson has not misrepresented his own report it is as questionable in quality as the sections dealing with credit and other matters which have preceded it. Very careful studies of distributing and marketing costs have been made in other lines, and nowhere, we believe, has any such marketing cost as 100 per cent been found to exist. If there be such a cost in farming the responsibility for it rests directly on the farmer. He has been coddled and helped in forming cooperative associations, exempted from anti-trust decisions and laws, and given special consideration by railways. He complains constantly of the fact that he does not get nearly as large a return for his produce as is paid by the consumer. According to Mr. Anderson there is no blame to be assigned to anyone in particular for this condition; and this when analyzed means simply that the farmer could make the difference by more economic distribution if he chose, but that he has not done so. Statements that nothing in particular can be done, but that responsibility for present conditions rests on the entire people are of little interest. Doubtless it is true, but a like statement would hold good of nearly every other activity. Scientific study of conditions ought to bring much better results than this."

Freight Rates

A 10 per cent horizontal reduction in the State freight rates in Georgia was ordered June 7 by the Georgia Railroad Commission, according to an Atlanta dispatch to press of June 8.

Future Trading Act

The Chicago Journal of Commerce for June 6 says in an editorial: "News comes from Washington that Senator Capper and Representative Tincher, both of Kansas, have drawn up a new bill revising the Future Trading Act. This is the act which Chief Justice Taft of the Supreme Court of the United States, once designated as being 'in essence and on its face a complete regulation of Boards of Trade.' Outlines received of the proposed amendment suggest that the object of the learned statesmen acting as sponsors for the bill is not 'complete regulation' but rather 'complete extermination' of the Boards of Trade. There is little likelihood that the bill will pass both Houses of Congress in its reported form. If it does, it probably will burn the air coming back from the Supreme Court. Efforts of our statesmen to regulate business, revise established customs and dictate prices might prove less harmful if they were confined to lines with which the Senator or the Representative was entirely familiar and in constant touch. Fearful of a disastrous ending of the reported 'May wheat deal' at Chicago a short time ago, a member of another exchange in another city sent a suggestion to the directors of the Chicago Board of Trade, which he thought would prevent serious consequences. His suggestion was described by members at Chicago as about the most unsound and futile idea that had ever come to their attention, and many called it worse than that. Now if a man of that caliber, in daily touch with the Chicago market, and active in the grain trade of his own city, can make such a poor guess as to what is needed at Chicago, what chance has the learned gentlemen at Washington who handle grain only when it's cooked, baked, brewed or distilled? It is noteworthy that the only essential section of the original Future Trading Act to receive commendable mention by the Supreme Court of the United States was that section which placed a prohibitive tax on trading in 'privileges'. But months before the bill became a law, the exchanges themselves did not only tax that mode of trading, but abolished it altogether. In so doing the exchanges demonstrated their ability to deal, and deal harshly, if necessary, with the evils that may crop up in their system. They do not object to official governmental supervision, but they are opposed to regulatory dictation from sources that can't possibly be competent to dictate."

Grain Standardization

"The American Economic Review for June, 1921, contains a short article on Grain Standardization, part of a paper read at Atlantic City December 29, 1920, by Mr. H. Bruce Price. There is one aspect of grain standardization that this does not examine though it may have been covered in a part of the paper that was not published. In a general way there is a presumption that the grain that is graded as of the highest quality according to the standards of inspection is really the best suited for economic use. Now this is not necessarily true. Wheat that may have all the external appearances of being of the first quality may yet be lacking in the vitality that will make it actually a first-class milling commodity. The subtle influences of climate and soil composition may give the kernel hardness, color, fullness, weight--in short, may endow it with all the appearances that would commonly be taken as the indicia of quality." (From communication of D.A.MacGibbon, University of Alberta, in American Economic Review, June, 1922.)

Meat Trade

The meat trade was more satisfactory during May, on the whole, than it was during April. This was true with respect to both the domestic and the foreign demand. Production was of somewhat greater dimensions than it was during the previous month. The fact that this larger volume was moved into consumption without great difficulty was a source of encouragement generally and was interpreted as further evidence of increased employment and continued improvement in the general industrial situation.....Live stock--the packers' raw material--continued higher during the month in most cases than was warranted by the market for meat and by-products. This was particularly true in the case of hogs, which, despite larger receipts, especially toward the end of the month, increased in price as compared with April. The general average price of live hogs at Chicago,--$10.50 per one hundred pounds--was the highest monthly average since November, 1920, and, except for the four years preceding 1920, the highest on record for May. Experiences of different packers in the foreign markets during May show some variations. Practically all of the companies questioned, however, agree that the export demand for pork was fairly active, especially toward the end of the month. The sales were made largely from stocks already abroad, although some meats--hams and fat backs particularly--were sold for shipment from this country. (Report of Inst. of Amer. Meat Packers, June 7.)

Prices

"The 16 per cent increase in the price of wheat, the 40 per cent raise in hog prices and the increase in most all farm products have not brought excessive amounts of money into the rural bunkers. It all helps, but the great share of the big return of prosperity is going to the moneyed holders, the in-betweeners in the scheme of marketing farm products. The farmer has just about finished his selling activities and is now busy with another year. The great and hopeful sign is that each year farmers are cooperatively holding more of their products and taking advantage of the seasonal advance in prices." (Michigan Farmer, June 3.)

Russian Relations

John Spargo is the author of a communication, on "Bakhmeteff's Services," to The New York Times of June 8, which says in part: "Taken by and large, with full allowance for incidental mistakes, unavoidable in the confused and confusing circumstances, our policy toward Russia since March, 1917, has been characterized by a genuine friendship for the Russian people and profound understanding of the essential interests of the Russian Nation. I venture the prediction that ten years hence our Government's attitude toward the Genoa conference, for example, will be universally recognized as an act of high friendship for Russia, a statesmanlike manifestation of that 'moral trusteeship' which Secretary Hughes avowed at the Washington conference, enriching thereby the best traditions of our Nation."

Water Power and Agriculture

"How Power will Set Men Free" is the title of an article by Searle Hendee, in Popular Science Monthly for July, based upon an interview with Henry Ford, in which the latter defines his "ideal of city and farm made one" by the development of water power resources.

Section 3

MEETINGS, HEARINGS AND VISITORS

L. H. Clinton, director of New Jersey Agricultural Extension Service, will be at the Office of Extension Work, States Relations Service, on June 12.

Section 4
MARKET QUOTATIONS

Farm Products

June 8: Chicago wheat market narrow with trade of evening up character. Harvesting in parts of Indiana, Kansas and Oklahoma. Export demand quiet. Chicago July wheat down 5¢ closing at $1.14; Chicago July corn down 1 1/4¢, closing at 60 3/4¢. Corn prices influenced by changes in wheat. Closing prices in Chicago cash market: No. 2 red winter wheat $1.18; No. 2 hard winter wheat $1.18; No.2 mixed corn 60¢; No. 2 yellow corn 60¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 47¢; No. 1 dark northern wheat in Central North Dakota $1.25 1/2; No. 2 hard winter wheat in Central Kansas $1.15.

Chicago hog prices active at close, steady with Wednesday's average, bulk of sales $10.10 to $10.95; medium and good beef steers $8.10 to $9.15; butcher cows and heifers steady at $4.40 to $8.75; veal calves strong to 25¢ higher at $9.25 to $11.50; fat lambs $9.50 to $12.85.

Potato market advancing. Carolina Cobblers up 25 to 50¢ in leading cities at $6.50 to $7.00 per bbl; weaker in Baltimore at $5.00 to $5.25. Texas, Alabama and Louisiana Bliss Triumphs strong in Chicago at $4.00 to $4.50. California Salmon Tint cantaloupes, standards 45's, $9.00 to $12.00 in New York, Pittsburgh and Chicago, Floridas, some poor condition $3.50 to $3.75 in Baltimore and Pittsburgh. Florida tomatoes weaker in eastern markets, sixes, $2.50 to $3.50. Watermelons slightly stronger in eastern markets at $300 to $450 bulk per car. Georgia Uneeda peaches $1.75 to $2.50 per 6-basket carrier eastern cities and Chicago.

Hay market slightly weaker, because of increased receipts at Philadelphia and Pittsburgh. Market at Cincinnati and Chicago firm and steady for top grades. St. Louis market lower. Receipts liberal.

Wheatfeed market slightly stronger. Demand continues light. Linseed and cottonseed meal quiet, demand light.

Butter markets firm most of week, but advances checked trading and at the close to-day the tone is barely steady.

Cheese markets barely steady. Buying more active on most styles. Some buying for storage.

Spot cotton up 43 points, closing at 21.34¢ per lb. New York July futures up 34 points at 21.54¢. (Prepared by Bu.Mark.&Crop Est.)

Industrials and Railroads

Average closing price	June 8	June 7	June 8, 1921
20 Industrials	95.11	95.15	69.85
20 R. R. stocks	84.43	84.48	69.92

(Wall St. Jour., June 9)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

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Muscle Shoals

Enactment of legislation designed to bring about development of the Government's power and nitrate projects at Muscle Shoals, Ala., by a private enterprise, was recommended June 9 in the House in three reports filed by members of the Military Affairs Committee. Each of the reports admitted that the committee has been unable to agree upon details for the proposed development and expressed belief that the task should be performed by the House itself. (Press, June 10.)

Reclassification Legislation

The Washington Herald to-day says: "The Civil Service reclassification bill was started upon the last leg of its rate to become a law before July 1, when the subcommittee of the Senate Appropriations Committee met to consider the measure yesterday.... Senator Sterling expressed the opinion that the bill would become a law before July 1, but declined to commit himself in regard to the probabilities of the bill being amended."

Grain Growers to be Questioned

According to a statement in to-day's Philadelphia Public Ledger, James K. Mason, of Chicago, treasurer of the U. S. Grain Growers, Inc., and William C. Eckhardt, former treasurer of that association, will appear to-day before a sub-committee of the Senate Committee on Agriculture and Forestry with the account books and records of their association. They will be questioned as to the use which has been made of the funds collected by the association.

Bankers Defer Loan to Germany

The international bankers, at asession held in Paris June 9, virtually decided to adjourn for three months and then resume consideration of aproposed loan to Germany. (Assoc. Press, June 10.)

Section 2

Agricultural Commission's Report

Why the housewife pays so much and the farmer gets so little for fruits and vegetables is one of the questions that will be answered by the Joint Commission of Agricultural Inquiry in a report soon to be rendered to Congress. Congressman Sydney Anderson, in outlining this section of the report, said: "In the first place, our investigation pretty thoroughly disposes of the constantly recurring popular myth about wanton destruction of perishable produce in order to boost the price:.....One reason for the wide spread between consumers' and producers' prices for fruits and vegetables has been found by the Joint Commission in lack of proper terminal market facilities. The movement of fruits and vegetables has increased about four-fold in the last twenty years", said Chairman Anderson, "and most of the terminal markets have long since outgrown their facilities. Chicago furnishes a conspicuous example of how things ought not to be done. Some twenty-seven trunk line railroads and several boat lines pour in the fruit and vegetable supplies for nearly 3,000,000 people. These are chiefly sold in a section of five or six city blocks on a narrow thoroughfare.....In New York, the greatest need is for a unification of docks. These should be as closely contiguous as possible in order to centralize and unify the wholesale district, and there might be an advantage in setting aside special docks for the handling of given lines of produce. Pittsburgh is more fortunate with respect to terminal facilities for fruits and vegetables than most American cities. It shows the advantage of centralizing the wholesale market about a single terminal, with consequent elimination of cartage and rehandling. The report will show that two fundamentally different principles govern the price to the producer: First, the law of supply and demand, and, second, the principle of fixed charges. The sale price of fruits and vegetables is determined by the relation of supply and demand, rather than by cost of production. The growers' returns are largely determined by the wholesale price, which is a fluctuating factor.....The Commission found a noticeable development in the improvements in grades and standards in the fruit and vegetable industry, but much progress can still be made. There is need for greater standardization of containers and for more uniformity in grades." (From the report, June 10).

Agricultural Situation

The Federal Reserve Bulletin for June says, in its review of conditions during May: "Steady improvement in the indicated yield of the principal agricultural products has been an outstanding feature in the developments of the past month. Improvement in the prices of cotton, grains, and other products is also a noteworthy feature of the month. Business, in so far as dependent upon current agricultural prospects, shows steady improvement, notwithstanding diminished export shipments of agricultural products, particularly grains, as disclosed by the 10 months' figures since the beginning of the fiscal year, and notwithstanding further a slackening of the demand for agricultural products for domestic use. Good demand for labor has manifested itself in practically all parts of the country, with corresponding reduction of unemployment, especially in outdoor occupations."

Business Conditions

"Is This a Real Business Boom?" is the title of an article, based upon an interview with D. R. Crissinger, Comptroller of the Currency, conducted by Theodore M. Knappen, in The Magazine of Wall Street for June 10. This says in part: "Since the menace to the gold standard comes from flow of the world's gold to us, due to our credit position, would it not be judicious for us to cancel foreign obligations to our Government, or else open our markets by a revision of the tariff laws so that we maybe paid in goods instead of gold? Cancellation of the debts is not practicable and to allow Europe to furnish us with goods that would necessarily take the place of the products of our own industries would make our last state worse than our first. But there is no reason why Europe should be compelled forwith to pay even interest upon its obligations. What we can do--and must do soon if we are to avoid disaster--is to reach a workable understanding among the nations as to the future disposition of the debts due to us, and between other countries, and bring pressure to bear for balanced budgets and the adjustment of governmental expenditures to the capacities of their peoples to pay."

Cooperative Marketing

New York Times for June 9 says in an editorial: "Mr. Bernard Baruch sides with Senator Capper, leader of the farm bloc, as against Mr. Gary, spokesman for industrial interests. It seems probable that Congress will enact the legislation in line with Mr. Baruch's argument for his farmer proteges. It is compressed into an analogy between cooperation and corporations. Corporations do for capital what the farmers seek to do by cooperative combination. Six million farmers producing and selling individually are at a disadvantage as compared with the relatively small number of buyers of farm products and sellers of what farmers buy. Hence farmers should be allowed to combine to market their crops. Mr. Baruch argues that this involves no dangers to the public, for the farmers would not be able to restrict production nor to fix prices. Cooperative farm marketing would benefit both farmers and consumers by stabilizing prices and restricting speculation. Some farmers are doing what Mr. Baruch favors, and all may do it without new laws; though the law recently annulled and the law now pending suggest that the farmers want special privilege rather than equality of opportunity. The statutes seeking to regulate produce exchanges restrict the market rights of others, and do not enlarge the rights of farmers to sell elsewhere. If the farmers' cooperatives are given admission to the exchanges, and allowed to sell at an advantage over others, the result is market discrimination. Demand for the use of the exchanges admits that they are a desirable trade facility, and the Supreme Court has just decided that they ought not to be destroyed under pretense of taxation. It is proposed to evade that decision by substituting regulation of interstate commerce for taxation. But pretense of regulation of commerce is as objectionable as pretense of taxation. To the mere punishment of abuses there is no more objection than to Mr. Baruch's argument in favor of farmers' cooperation. But privilege for farmers ought not to be enacted on imagined abuses. Farmers fancied that bank credits were denied them, and this made it difficult to protect our banking system against injurious amendment."

Filled Milk Legislation

"A Great Victory" is the title of an editorial, in Hoard's Dairyman for June 9, on the passage through the House of the Voigt filled milk bill. This says in part: "The overwhelming vote for this bill is a great victory for the dairy interests, for it shows that Congress comprehends the desirability of suppressing the traffic in filled milk.....Notwithstanding our conviction that the taxing power of the Federal Government is the most effective way to deal a death blow to filled milk, we are nevertheless pleased with the vote of the House of Representatives in the passage of the Voigt bill. This act reveals to us that there is a strong sentiment against this product and in time it will be subdued."

On the same subject, an editorial in The Farmer (St. Paul) for June 3 says: "While this measure has been criticized by some dairy leaders on the ground that it would limit the use of, rather than completely do away with, the traffic in filled milk, it was probably the only type of legislation which could have been put through Congress at this time. In the minds of these critics of the Voigt bill, the Fordney bill, which proposed to tax 'filled' milk out of existence, would have given stronger protection. The Voigt bill breaks the ice for future action, should such action be necessary."

Freight Rate Cut

"Farmers are not satisfied with the freight rate decision announced last week by the Interstate Commerce Commission. The rate reduction, which averaged 10 per cent, was characterized by the daily press as sweeping, and while it did touch everything, farmers will not be satisfied, as it did not cut deep enough, still leaving freights higher in the list of things which have not fully responded to the demand of lower costs." (Ohio Farmer, June 3.)

Ship Subsidy and Farmers

In an editorial on the Ship Subsidy, The Wisconsin Agriculturist for June 3 says: "There is another side, however, to this question which has to do with inefficiency and mismanagement and the demand that the ships constructed by the Government with the people's money shall be owned by the Government and operated to develop the legitimate industries of the agriculture of the country. If Government funds are to be used to aid in building up an American merchant marine, the ships so built should be owned and controlled by the Government. They should not be turned over to shipping rings of any kind to be used for the purpose of making money for private individuals or shipping corporations."

World Wheat Situation

The Foodstuffs Division of the Department of Commerce issues to-day a statement on "The World Wheat Situation." This says in part: "The present moment the situation indicates that world wheat stocks will be lower than for several years by July, 1922, as both Argentina and Australia have considerably less than last year, the United States carry-over will be light, and only Canada has considerable stocks on hand. The upward trend of European consumption indicates a larger demand than last year, whereas prospects are for a smaller crop. Until next February, the international trade will be largely dependent for supplies on the surplus of North America and a limited quantity from India. With Russia entirely out of the export trade, North American wheat is in a relatively strong position."

Section 3

Department of Agriculture

1. In an editorial on the Future Trading Act, Who is Who in the Grain Trade for June 5 says: "It seems to us that the decision of the Supreme Court is not by any means a complete victory for those who sought legal relief from the act. This is because of the court's approval of section 9.....There is no doubt that under this section a Secretary of Agriculture hostile to the existing system of grain distribution could make life on the boards of trade miserable for the grain dealers. The purpose of section nine, of course, is to prevent manipulation by the exercise of some sort of Federal control. If this can be accomplished without espionage and bureaucratic meddling no one would complain. The vast majority of the grain dealers of the country are opposed to manipulation by any interests. They make no excuse for any abuses that have crept into the grain business because they suffer more than any one else from them. No one in the trade, however, is enthusiastic over bureaucratic control. The recent experience of the grain dealers with the Federal Trade Commission, the United States Grain Corporation and other official bodies is enough to las a lifetime. These experiences do not make the grain dealers any too hopeful of the future. The thinking men in the trade are not a little disturbed over the situation. The Supreme Court in declaring section 9 constitutional, is placing its stamp of approval upon the tendency of Congress to regulate private business..... The decision of the Supreme Court, it seems to Who Is Who in the Grain Trade, is the entering wedge into Government control of the exchanges. A broad-gauged Secretary of Agriculture might be able to do the regular trade, as well as the country at large, much good by intelligent regulation. But what about a purely political Secretary whose ear is always to the ground and who is actuated by the one motive--votes? Such a man would be sure to push his investigations far beyond what is equitable and fair. He would become an inquisitor seeking sensation and campaign material for his constituency. The result would be that he would drive speculators out of the market and make future trading so uncertain that it would become worthless to the trade."

2. Who is Who in the Grain Trade for June 5 says in an editorial on "The County Agents": "The address of Assistant Secretary of Agriculture, C. W. Pugsley, at the recent conference of farm advisors at the Nebraska State Agricultural College at Lincoln, seems to have attracted the attention of the country to the pernicious activities of these men whose salaries are being paid out of the taxes of all classes. Mr. Pugsley said that complaints are being received by the United States Department of Agriculture that many farm demonstration agents are engaged in outside activities which have no proper relation to their work." After quoting from the address, the editorial continues: "Mr. Pugsley could not have made himself more clearly understood. There is no evasion in the language he used. If it is really true that the Department of Agriculture has ceased its 'pussyfooting' and its silent encouragement to the county agents who have been in both business and

politics for months Who Is Who in the Grain Trade will quit throwing bricks at the Secretary of Agriculture and stop its denunciation of the present regime. We have no desire to quarrel with anyone and much less the Federal Department of Agriculture.....If Secretary Wallace is really in earnest and intends to suppress the illegal activities of county agents so that they will be made to mind their own business and do only the things they are hired to do, Who Is Who in the Grain Trade will have nothing further to say."

Section 4
MARKET QUOTATIONS.

Farm Products

June 9: Chicago wheat market broke early to-day due to Government report, but market advanced later on short covering and buying by commission houses. Chicago July wheat higher at $1.15; Chicago July corn higher at 62¢. Cash corn market strong most of session but slumped toward last with lower grades practically unsalable. Closing prices in Chicago cash market: No. 2 red winter wheat $1.19; No. 2 hard winter wheat $1.18; No. 2 mixed corn 60 1/2¢; No. 2 yellow corn 61 3/4¢; No. 3 white oats 36 1/4¢. Average farm prices: No. 2 mixed corn in Central Iowa 48¢; No. 1 dark northern wheat in Central North Dakota $1.24 1/4; No. 2 hard winter wheat in Central Kansas $1.12.

Chicago hog prices weak and mostly 5 to 10¢ lower than Thursday's average; mixed and packing grades declining most, bulk of sales $10.15 to $10.90. Medium and good beef steers generally steady at $8.10 to $9.15; butcher cows and heifers steady at $4.40 to $8.75; light and medium weight veal calves $9.50 to $11.50; fat lambs $9.00 to $12.60; spring lambs generally 25¢ lower at $13.25 to $14.75.

Potato markets higher. South Carolinas up 25 to 75¢ at $6.50 to $7.50 per bbl. in leading markets; steady in Boston at $5. to $5.25. Florida watermelons slightly stronger in leading eastern markets at $325 to $500 bulk per car; Chicago strong, medium sizes $400 to $625. Texas tomatoes slow and weak. Georgia peaches, sixes, Carmans, Red Birds and Early Rose $3.50 to $4.50 in eastern cities; Uneedas stronger at $1.50 to $2.50.

Hay market slightly weaker because of increased receipts and slow demand. Wheatfeed market fairly steady. Demand weak. Demand for other feeds unchanged.

Butter markets irregular during week, but closed steady. Heavy storage buying, although many buyers feel that the risk is great at present prices. Cheese markets steady. Trading fairly active but price changes erratic, depending upon demand for various styles.

Spot cotton up 44 points, closing at 21.78¢ per lb. New York July futures up 48 points closing at 22.02¢. (Prepared by the Bureau of Markets & Crop Estimates.)
